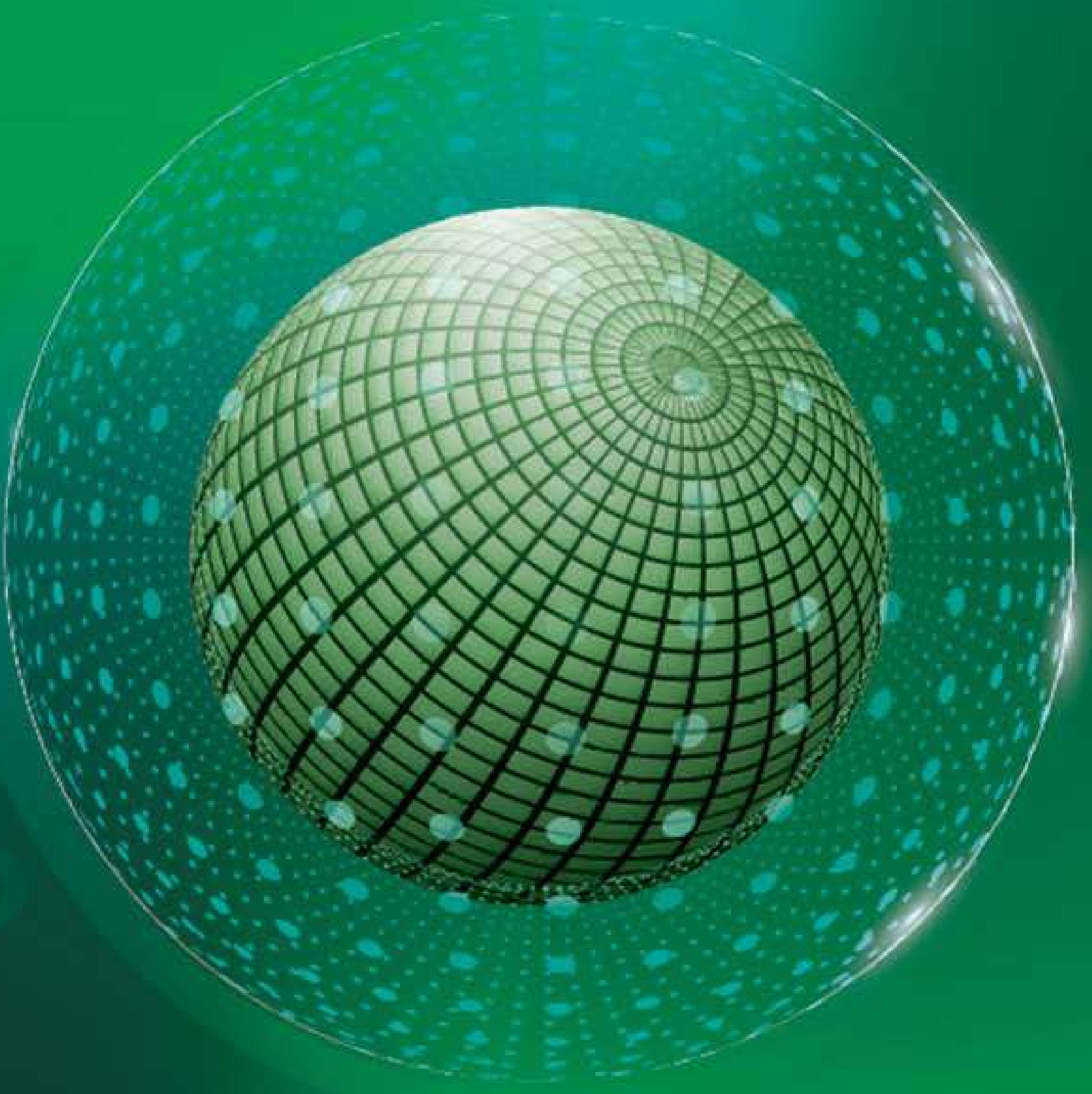
BRITE-TECH BERHAD
(Company No: 550212-U)



2015 Annual Report

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of **Brite-Tech Berhad** will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Friday, 27 May 2016 at 10.00 a.m. to transact the following business:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note 1***

2. To declare a final single tier dividend of 0.63 sen per ordinary share in respect of the financial year ended 31 December 2015. ***(Resolution 1)***

3. To approve the payment of Directors' fees for the financial year ended 31 December 2015. ***(Resolution 2)***

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

   a) Mr. Cheng Sim Meng ***(Resolution 3)***

   b) Ir. Koh Thong How ***(Resolution 4)***

5. To consider and if thought fit, pass the following resolution in accordance with Section 129(6) of the Companies Act, 1965:

   "**THAT** Dr. Seow Pin Kwong, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting." ***(Resolution 5)***

6. To re-appoint Messrs CAS & Associates as auditors of the Company and to authorise the Directors to fix their remuneration. ***(Resolution 6)***

AS SPECIAL BUSINESS

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

   Ordinary Resolution 1 ***(Resolution 7)***
   Authority pursuant to Section 132D of the Companies Act, 1965 for the Directors to issue shares

   "**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approvals of all the relevant authorities being obtained for such allotment and issue and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Ordinary Resolution 2 ***(Resolution 8)***
Continuing in Office as Independent Non-Executive Director

"**THAT** subject to the passing of Resolution 3, authority be and is hereby given to Mr. Cheng Sim Meng who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company."

Ordinary Resolution 3 ***(Resolution 9)***
Continuing in Office as Independent Non-Executive Director

"**THAT** subject to the passing of Resolution 5, authority be and is hereby given to Dr. Seow Pin Kwong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company."

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that the final single tier dividend of 0.63 sen per ordinary share in respect of the financial year ended 31 December 2015, if approved by the shareholders, will be paid on 23 June 2016 to shareholders whose names appear in the Register of Depositors at the close of business on 15 June 2016. A Depositor shall qualify for dividend entitlement only in respect of:-

a) Shares transferred into Depositor's Securities Account before 5.00 p.m. on 15 June 2016 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)
Wong Youn Kim (f) (MAICSA 7018778)
Company Secretaries

Kuala Lumpur
28 April 2016

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:

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

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

3. Where a member appoints two (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 Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof.

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

   Ordinary Resolution 1 - Authority pursuant to Section 132D of the Companies Act, 1965 for the Directors to issue shares

   The Ordinary Resolution 7 under item 7 is proposed to seek for a renewal of the general mandate ("General Mandate") pursuant to Section 132D of the Companies Act, 1965, and if passed, will give the Directors of the Company authority to allot and issue ordinary shares of the Company up to an amount not exceeding in total, 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Fourteenth Annual General Meeting held on 27 May 2015 and which will lapse at the conclusion of the Fifteenth Annual General Meeting.

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

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes: (Cont'd)

8. **Explanatory Note on Special Business – Resolutions 8 & 9**

Ordinary Resolutions 2 & 3 - Continuing in Office as Independent Non-Executive Director

Dr. Seow Pin Kwong and Mr. Cheng Sim Meng are Independent Non-Executive Directors who have served the Company for a cumulative term of more than nine (9) years since 25 May 2002.

In line with the Malaysian Code of Corporate Governance 2012, the Board of Directors has assessed the independence of Dr. Seow Pin Kwong and Mr. Cheng Sim Meng, and has recommended that the approval of the shareholders be sought for them to continue to serve as Independent Non-Executive Directors based on the following:

a) They have fulfilled the criteria under the definition of Independent Director as stated in the ACE Market Listing Requirements;

b) They have vast experiences in various industries and as such can contribute to the Board with their wide expertise and independent judgement. They have also actively participated in Board deliberations and decision making in an objective manner.

c) They have been with the Company for more than nine years and are familiar with the Group's activities and corporate history and have devoted sufficient time and attention to their roles and responsibilities as Independent Non-Executive Directors for informed and balanced decision making; and

d) They have exercised due care during their tenure as Independent Non-Executive Directors in the Company and carried out their professional duties in the interest of the Company and shareholders.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

a) Directors standing for re-election/re-appointment at the Fifteenth Annual General Meeting of the Company

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

- Mr. Cheng Sim Meng (Independent Non-Executive Director)
- Ir. Koh Thong How (Non-Independent Non-Executive Director)

The Director who is retiring, pursuant to Section 129 of the Companies Act, 1965 and standing for re-appointment is as follows:

- Dr. Seow Pin Kwong (Independent Non-Executive Director)

Further details of the Directors who are standing for re-election/re-appointment at the Fifteenth Annual General Meeting are set out in the Directors' Profile on pages 8 to 11 of the Annual Report and information on their shareholdings are listed on page 107 of the Annual Report.

b) Details of attendance of Directors at Board Meetings

The details of attendance of the Directors at Board meetings held during the financial year ended 31 December 2015 are as disclosed in the Corporate Governance Statement set out on page 18 of this Annual Report.

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

The Fifteenth Annual General Meeting of Brite-Tech Berhad will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Friday, 27 May 2016 at 10.00 a.m.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Pang Wee See	Executive Chairman
Tan Boon Kok	Executive Director
Chan Ah Kien	Executive Director
Kan King Choy	Executive Director
Ir. Koh Thong How	Non-Independent Non-Executive Director
Dr. Seow Pin Kwong	Independent Non-Executive Director
Cheng Sim Meng	Independent Non-Executive Director
Ng Kok Ann	Independent Non-Executive Director
Yee Oii Pah @ Yee Ooi Wah	Alternate Director to Pang Wee See

AUDIT COMMITTEE

Dr. Seow Pin Kwong (Chairman)
Cheng Sim Meng
Ng Kok Ann

COMPANY SECRETARIES

Wong Maw Chuan (MIA 7413)
Wong Youn Kim (f) (MAICSA 7018878)

REGISTERED OFFICE

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

BUSINESS OFFICE

Lot 14, Jalan Pendamar 27/90
Seksyen 27, 40000 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 & Associates
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
AmFunds Management Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: BTECH
Stock Code: 011

DIRECTORS' PROFILE

PANG WEE SEE *Executive Chairman*

Pang Wee See, a Malaysian, aged 64, 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 25 years of experience, he has steered the Group to become an established and acclaimed total solution provider in water and wastewater treatment and laboratory services. He sits on the Board of other private companies and also sits on the Board of Yayasan Maha Karuna, a charity organization. He does not hold directorship of any other public listed company.

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

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2015.

TAN BOON KOK *Executive Director*

Tan Boon Kok, a Malaysian, aged 58, was appointed to the Board on 25 May 2002.

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

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

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2015.

CHAN AH KIEN *Executive Director*

Chan Ah Kien, a Malaysian, aged 53, was appointed to the Board on 25 May 2002.

He co-founded Hooker Chemical Sdn Bhd in 1987 and has been with the Group for more than 25 years. He had his education in Temerloh, Pahang and completed his Sijil Pelajaran Malaysia (SPM) in 1981. He built his experience since 1981 and rose through the ranks from technician, operations, marketing and to management level, involving in industrial wastewater treatment and scheduled waste disposal. He has accumulated more than 25 years experience in industrial wastewater treatment and over the years with Hooker Chemical Sdn Bhd, he is also exposed to new advance treatment technology through close working relationship with leading overseas wastewater treatment companies in USA and Europe. He also attended the Chemical Safety and Security Train-the-Trainer Workshop under the Chemical Security Engagement Program organized by Sandia National Laboratories, Department of State, United States of America.

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

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2015.

DIRECTORS' PROFILE (CONT'D)

KAN KING CHOY *Executive Director*

Kan King Choy, a Malaysian, aged 54, was appointed to the Board on 25 May 2002.

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

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

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2015. He is a member of the Remuneration Committee of the Company.

IR. KOH THONG HOW *Non-Executive Director*

Ir. Koh Thong How, a Malaysian, aged 61, was appointed to the Board on 25 May 2002.

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

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

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2015.

DIRECTORS' PROFILE (CONT'D)

DR. SEOW PIN KWONG *Independent Non-Executive Director*

Dr. Seow Pin Kwong, a Malaysian, aged 75, was appointed to the Board on 25 May 2002.

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

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

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2015. He is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

CHENG SIM MENG *Independent Non-Executive Director*

Cheng Sim Meng, a Malaysian, aged 63, was appointed to the Board on 25 May 2002.

He is a Chartered Insurer and is a Fellow of the Chartered Insurance Institute (UK), Fellow of the Malaysian Insurance Institute, Associate of the India Insurance Institute, Associate of the Chartered Institute of Arbitrators (UK), Associate of the Malaysian Institute of Management, Fellow of the Singapore Insurance Institute and armed with a Masters degree in Business Administration from Universiti Putra Malaysia and holds various certificates in accounting. He was Associate of the Insurance Brokers Association of Malaysia and Member of the Malaysian Institute of Directors.

He has been in the insurance industry for more than thirty five years handling all aspects of general and life insurance in the areas of management, marketing, underwriting, claims, finance, investment, accounts and statistics, credit control, reinsurance, broking, net-working and distribution, training and leadership roles. He started his career as a clerk with a life insurance company (1972-1974) and thereafter a credit controller in a general insurance company (1974-1975). He joined a local insurance company in 1975 as an accounts assistant. He assumed the position of Manager of an insurance broking company in 1978. Subsequently, he ventured into business of an insurance agency from 1982 and has remained so until 2001. Subsequently, he was an Assistant General Manager (Commercial Lines Management) with a local insurance company. Currently he is a Practitioner in the scope of Training, Talent & Skills Development, Insurance Arbitration, Insurance claims consultancy & management, Insurance & Reinsurance – Consultancy & Risk Management and Insurance Skills & Technical Enhancement Programme (INSTEP).

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

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

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2015. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

DIRECTORS' PROFILE (CONT'D)

NG KOK ANN *Independent Non-Executive Director*

Ng Kok Ann, a Malaysian, aged 42, was appointed to the Board on 21 January 2009.

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

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

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

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2015. He is a member of the Audit Committee and Nomination Committee of the Company.

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

Yee Oii Pah @ Yee Ooi Wah, a Malaysian, aged 63, was appointed as an alternate Director to Pang Wee See on 25 May 2002.

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

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

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Brite-Tech Berhad, I am pleased to present the Annual Report and Financial Statements of the Group for the financial year ended 31 December 2015.

FINANCIAL REVIEW

For the financial year ended 31 December 2015, the Group recorded an increase of 13.72% in revenue to RM27.060 million as compared to RM23.796 million in the previous financial year. However, despite the increase in the Group's revenue, the Group's profit before tax decreased by 2.3% to RM5.998 million from RM6.138 million in the previous financial year.

The increase in the Group's revenue was attributed to the higher revenue from both the environmental products and services segment and the system equipment and ancillary products segment of the Group while the decrease in the Group's profit before tax as compared to the previous financial year was mainly due to impairment loss of goodwill in the previous financial year and the decrease in other operating income in the current financial year.

ECONOMIC AND INDUSTRY OUTLOOK

The projection for growth in 2016 takes into account concerns over the severity of growth slowdown in emerging markets, particularly China. Other downside risks include declining commodity prices, rising volatility in financial markets and depreciating currencies of emerging economies.

Against the backdrop of increased uncertainty in the global economy, growth in the Malaysian economy will be driven by domestic demand, with private expenditure as the main anchor, while public expenditure will increase moderately.

Strong fundamentals such as benign inflation and stable employment supported by an accommodative monetary policy are expected to support growth. Thus, the Malaysian economy is expected to remain on a steady growth path, expanding between 4% - 5% in 2016. On the supply side, growth through moderating, is expected to be broad-based, supported by expansion in all sectors of the economy, led by the services and manufacturing sectors.

(Source: Economic Report 2015/2016; Ministry of Finance Malaysia)

PROSPECTS

The Group remains cautious over the outlook of the economy and expects the year ahead to remain challenging in light of the current global economic conditions and also the competitive business conditions. 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.

CHAIRMAN'S STATEMENT (CONT'D)

DIVIDENDS

As recognition of your continuous support, the Board of Directors is pleased to recommend a final single tier dividend of 0.63 sen per share for the approval of shareholders at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT AND APPRECIATION

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

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

PANG WEE SEE
Executive Chairman

CORPORATE GOVERNANCE 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 recommendations as outlined in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012" or "the Code") 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 Statement which describes how the Group has applied the principles of the Code and the extent to which it has complied with the recommendations set out in the Code during the financial year ended 31 December 2015. This statement also serves as a compliance with Rule 15.25 of the Bursa Securities Listing Requirements for ACE Market.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

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.

Composition of the Board

The Board currently consists of eight (8) members, comprising an Executive Chairman, three (3) Executive Directors, one (1) Non-Executive Director (Engineering) and three (3) Independent Non-Executive Directors. This composition complies with Rule 15.02 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.

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

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

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

The Board acknowledges the need for gender diversity for good governance practices and to enhance the efficient functioning of the Board. The Board believes that the evaluation of any candidate's suitability is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible. The Company currently has one (1) female representation in the Board. The Board is comfortable with its current composition and does not consider that setting a short term target for gender diversity on the Board is appropriate at the current time.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Directors' Code of Conduct

The Board observes 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.

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.

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.

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.

Board Charter

Whilst Directors and management of the Company are aware of their respective roles and responsibilities, including limits of authority accorded, the Board recognizes the need to formalise such demarcation of duties to provide clarity and guidance to Directors and management. The Board will adopt a Board Charter at an appropriate time.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

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.

Audit Committee

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

Remuneration Committee

The present members of the Remuneration Committee are as follows:

Chairman:	Dr. Seow Pin Kwong	(Independent Non-Executive Director)
Members:	Cheng Sim Meng	(Independent Non-Executive Director)
	Kan King Choy	(Executive Director)

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

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

Directors' Remuneration

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

Details of the aggregate remuneration of the Directors for the financial year ending 31 December 2015 are as follows:

	Executive Directors RM	Non-Executive Directors RM
Salaries and other emoluments	691,200	–
Bonuses	172,800	–
Fees	348,000	28,800
Total	1,212,000	28,800

The number of directors whose aggregate remuneration during the financial year ending 31 December 2015 which falls within the following bands is as follows:

Band of Remuneration	Executive Directors	Non-Executive Directors
RM 50,000 and below	–	4
RM250,001 – RM300,000	3	–
RM300,001 and above	1	–

The Board is of the view that the above disclosure, without divulging respective individual Director's remuneration so as to preserve a degree of privacy, is sufficient to meet the objectives set out in the Bursa Securities Listing Requirements for ACE Market.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

STRENGTHEN COMPOSITION (CONT'D)

Nomination Committee

The present members of the Nomination Committee are as follows:

Chairman:	Dr. Seow Pin Kwong	(Independent Non-Executive Director)
Members:	Cheng Sim Meng	(Independent Non-Executive Director)
	Ng Kok Ann	(Independent Non-Executive Director)

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

Retirement and Re-election of Directors

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

Directors over seventy (70) years of age are subject to re-appointment by shareholders on an annual basis in accordance with Section 129(6) of the Companies Act, 1965.

REINFORCE INDEPENDENCE

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

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

The Board is satisfied that Dr. Seow Pin Kwong and Mr. Cheng Sim Meng has fulfilled the criterias and would recommend to retain them as independent directors of the Company, notwithstanding that they have served for more than nine years as independent directors. In view thereof, the Board has recommended that approval be sought for them to continue to serve as independent directors at the forthcoming Annual General Meeting of the Company

CORPORATE GOVERNANCE STATEMENT (CONT'D)

REINFORCE INDEPENDENCE (CONT'D)

The Code 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 Code, 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.

FOSTER COMMITMENT

Board Meetings

The Board ordinarily meets at least four (4) times a year at quarterly interval with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. There were four (4) meetings held during the financial year ended 31 December 2015.

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

Name	Designation	Attendance
Pang Wee See	Executive Chairman	4/4
Tan Boon Kok	Executive Director	4/4
Chan Ah Kien	Executive Director	4/4
Kan King Choy	Executive Director	4/4
Ir. Koh Thong How	Non-Independent Non-Executive Director	4/4
Dr. Seow Pin Kwong	Independent Non-Executive Director	4/4
Cheng Sim Meng	Independent Non-Executive Director	4/4
Ng Kok Ann	Independent Non-Executive Director	4/4

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

FOSTER COMMITMENT (CONT'D)

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 2015, the seminars and training courses attended by the Directors are as follows:

Directors	Seminar/Training Course Attended
Ir. Koh Thong How	JPS MSMA Workshop on "Sustainable Urban Stormwater Management" Lesson 4 : Detection Pond Design & Submission Requirement
	JPS MSMA Workshop on "Sustainable Urban Stormwater Management" Lesson 5 : Erosion and Sediment Control Plan Design & Submission Requirement
Ng Kok Ann	Half Day Q & A Session with YBhg Dato' Subromaniam

Other than as disclosed above, some of the Directors were not able to attend any seminar/training courses during the financial year due their busy work schedule while others were also not able to attend any seminar/training courses due to travelling commitments and medical reasons. However, 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.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

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

Relationship with the Auditors

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

RECOGNISE AND MANAGE RISKS

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 25 to 27.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

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;

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Relationship with Shareholders

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

The Board takes note of the recommendation by the Code on the adoption of electronic voting and for the Board to encourage poll voting for substantive resolutions to facilitate greater shareholders' participation. The shareholders shall be informed of their right to demand a poll vote prior to the commencement of the general meeting and the Board will ensure that any vote of shareholders at the general meeting on the resolution approving related party transactions is taken on a poll. An announcement of the detailed results will be made showing the number of votes cast for and against each resolution. Presently, for non-substantive resolutions, the voting process at the AGM shall be voting by way of a show of hands for convenience purpose unless a poll is demanded by shareholders.

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.

STATEMENT OF COMPLIANCE WITH THE RECOMMENDATIONS OF THE CODE

Except for the explanations provided above on any departures from the recommendations of the Code, the Board believes that the Company has, in all material aspects, complied with the recommendations of the Code throughout the financial year.

AUDIT COMMITTEE REPORT

1. INTRODUCTION

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

Chairman:	Dr. Seow Pin Kwong	Independent Non-Executive Director
Members:	Cheng Sim Meng	Independent Non-Executive Director
	Ng Kok Ann	Independent Non-Executive Director

2. TERMS OF REFERENCE

(a) Composition of Audit Committee

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

The members of the Audit Committee shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director. The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every three years to determine whether the Audit Committee has carried out their duties according with their terms of reference.

(b) Meetings

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

(c) Authority

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

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

AUDIT COMMITTEE REPORT (CONT'D)

2. TERMS OF REFERENCE (CONT'D)

(d) Duties and Responsibility

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

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

(ii) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

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

(iv) To review and report to the Board if there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment.

(v) To review the quarterly and year-end financial statements of the Board, focusing particularly on:
- any changes in the accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

(vi) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of the management where necessary);

(vii) To review the external auditor's management letter and the management's response;

(viii) To do the following where the internal audit function is outsourced:
- review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of members of the internal audit function;
- approve any appointment or termination of senior staff members of the internal audit function; and
- inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

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

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

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

AUDIT COMMITTEE REPORT (CONT'D)

3. SUMMARY OF ACTIVITIES

The Audit Committee held four (4) meetings during the financial year ended 31 December 2015. The details of their meetings are as follows:

Audit Committee Members	Attendance
Dr. Seow Pin Kwong	4/4
Cheng Sim Meng	4/4
Ng Kok Ann	4/4

The activities of the Audit Committee during the financial year ended 31 December 2015 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 with the scope of work and audit plan of the external auditors;

(iv) Reviewed the scope of work and audit plan of the internal audit consultants for 2015 as well as reviewed the internal audit reports issued. Thereafter discussed with internal auditors and management on the management's response to the findings and recommendations;

(v) Reviewed the Corporate Governance 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) Met with external auditors without the presence of management;

(vii) Reviewed related party transactions 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.

4. INTERNAL AUDIT FUNCTION

The Group has outsourced its Internal Audit function to an external independent internal audit service provider to advise and assist the Audit Committee in the Internal Audit functions of the Group within the framework as directed by the Audit Committee, which is in accordance with Bursa Securities "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers".

The internal audit activities during the financial year covered amongst others, areas such as sales and marketing, human resources, credit control and collection, policies for bad debts, handling of accounts receivables and invoicing of customers.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

The Board of Directors ("the Board") of Brite-Tech Berhad ("the Group") recognises that it is the Board's responsibility to review the adequacy and integrity of the Group's system of risk management and internal control. The Board is committed to maintain and ensure that a sound system of risk management and internal control exists and operates effectively within the Group of Companies and is pleased to provide this statement outlining the nature and scope of the risk management and internal control of the Group during the financial year under review pursuant to Paragraph 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Statement on Risk Management and Internal Control is in compliance with Section 167A of the Companies Act, 1965 and in line with the Malaysian Code of Corporate Governance (MCCG) 2012.

2. BOARD RESPONSIBILITIES

The Board acknowledges its responsibility and reaffirms its commitment in recognising the importance of effective and appropriate systems of internal control and risk management practices to enhance good corporate governance.

In this respect the Board is responsible for identifying principal risks, ensuring the implementation of appropriate systems to manage these risks and reviewing the adequacy and integrity of the Group's systems of risk management and internal control. The system of risk management and internal control covers inter alia, governance, risk management, financial organisation, operational and compliance control.

However, the Board recognises that this system is designed to manage and control risk appropriately rather than eliminate the risks of failure to achieve business objectives. Accordingly, these systems can only provide reasonable, but not absolute assurance against material misstatement of management and financial information and, records or against financial losses or fraud.

The Board also acknowledges the guidelines on the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) which further emphasises the need for maintaining a sound system of risk management and internal control.

In line with the Guidelines, the Executive Chairman and the Management have provided assurance to the Board stating that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objective during the financial year under review.

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

3. RISK MANAGEMENT AND INTERNAL AUDIT FUNCTION

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

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

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

3. RISK MANAGEMENT AND INTERNAL AUDIT FUNCTION (CONT'D)

In this respect, internal audits are carried out in accordance with the audit plan approved by the Audit Committee and focuses on the identified areas of risks with priority towards the management of the significant risks impacting the achievement of the business objectives of the Group.

The risk management and internal controls are established after considering the overall control environment of the Group. The systems are designed to achieve proper balance between risks undertaken and the potential returns to shareholders.

The Group adopts an enterprise wide risk management policy. This policy framework has since identified and managed the significant risks affecting the Group as a whole taking into consideration both the internal and external factors. The outsourced internal audit function is currently in the process of executing the approved internal audit plan.

The costs incurred for the outsourced internal audit function for the financial year ended 31 December 2015 amounted to RM36,000.

4. KEY INTERNAL CONTROL PROCESSES

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

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

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

5. *CONCLUSION*

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

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

This statement was made in accordance with a resolution of the Board dated 20 April 2015.

6. *REVIEW BY EXTERNAL AUDITORS*

As required by Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this statement on risk management and internal control and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control. Recommended Practice Guide 5 does not require the external auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

OTHER COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

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

2. SHARE BUYBACK

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

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

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

4. DEPOSITORY RECEIPT PROGRAMME

During the financial year, the Company did not sponsor any Depository Receipt programme.

5. SANCTIONS AND/OR PENALTIES

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

6. NON-AUDIT FEES

During the financial year, the total non-audit fees paid to the external auditors by the Group amounted to RM 3,000.

7. PROFIT ESTIMATES, FORECAST OR PROJECTION

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

8. VARIATION OF RESULTS

There was no significant variance between the results for the financial year ended 31 December 2015 as per the audited financial statements and the unaudited results previously announced.

9. PROFIT GUARANTEE

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

10. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries which involved the directors and substantial shareholders' interest during the financial year ended 31 December 2015.

OTHER COMPLIANCE INFORMATION (CONT'D)

11. REVALUATION POLICY ON LANDED PROPERTIES

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

12. RECURRENT RELATED PARTY TRANSACTION OF REVENUE NATURE

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

13. CORPORATE SOCIAL RESPONSIBILITY

Apart from giving some token donations to certain charity organization, the Group did not undertake any corporate social responsibility activities during the financial year ended 31 December 2015.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

IN RELATION TO THE FINANCIAL STATEMENTS

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

In ensuring the preparation of these financial statements, the Directors have:-

- adopted suitable accounting policies and 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 1965 and Bursa Securities Listing Requirements for ACE Market.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiary companies are disclosed in Note 7 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	4,718,187	2,605,252
Profit attributable to:		
Owners of the Company	4,718,027	2,605,252
Non-controlling interests	160	–
	4,718,187	2,605,252

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.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provision during the financial year other than as disclosed in the financial statements.

DIRECTORS' REPORT (CONT'D)

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2014 were as follows:

	RM
In respect of the financial year ended 31 December 2014, as reported in the Director's report of that financial year:	
Final dividend under the Single Tier System of 0.63 sen per share, on 252,000,000 ordinary shares, was declared on 27 May 2015 and paid on 23 June 2015.	1,587,598
In respect of the financial year ended 31 December 2015:	
First interim dividend under the Single Tier System of 0.63 sen per share, on 252,000,000 ordinary shares, was declared on 27 August 2015 and paid on 28 September 2015.	1,587,598

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2015, of 0.63 sen on 252,000,000 ordinary shares, amounting to a dividend payable of RM1,587,600 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, 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 directors of the Company in office since the date of the last report and at the date of this report are:

Pang Wee See
Tan Boon Kok
Chan Ah Kien
Kan King Choy
Ir. Koh Thong How
Dr. Seow Pin Kwong
Cheng Sim Meng
Yee Oii Pah @ Yee Ooi Wah (f) *(Alternate Director to Pang Wee See)*
Ng Kok Ann

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

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 emoluments 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) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.10 each			
	As at 01.01.2015	**Acquired**	**Sold**	**As at 31.12.2015**
Direct interest				
Pang Wee See	113,152,861	–	–	113,152,861
Tan Boon Kok	24,821,963	–	–	24,821,963
Chan Ah Kien	25,213,147	–	–	25,213,147
Kan King Choy	10,215,841	–	–	10,215,841
Ir. Koh Thong How	337,200	–	–	337,200
Dr. Seow Pin Kwong	305,760	–	–	305,760
Yee Oii Pah @ Yee Ooi Wah (f) *(Alternate Director to Pang Wee See)*	487,200	–	–	487,200
Indirect interest				
Pang Wee See *	824,400	–	–	824,400
Tan Boon Kok **	16,800	–	–	16,800
Kan King Choy #	90,552	–	–	90,552
Ir. Koh Thong How +	113,152,861	–	–	113,152,861
Yee Oii Pah @ Yee Ooi Wah (f) ^ *(Alternate Director to Pang Wee See)*	113,152,861	–	–	113,152,861

* Deemed interest by virtue of the shareholdings of his spouse, Yee Oii Pah @ Yee Ooi Wah and brother-in-law, Ir. Koh Thong How
** Deemed interest by virtue of the shareholdings of his spouse, Liong Mee Mee
# Deemed interest by virtue of the shareholdings of his spouse, Lee Kim Peng
+ Deemed interest by virtue of the shareholdings of his brother-in-law, Pang Wee See
^ Deemed interest by virtue of the shareholdings of her spouse, Pang Wee See

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

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

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were made out, 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 allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(b) The directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; 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.

(c) In the opinion of the directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report was made; and

(ii) 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 will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

(III) AT THE DATE OF THIS REPORT

(d) There are no charges on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person.

(e) There are no contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT (CONT'D)

AUDITORS

The auditors, Messrs CAS & Associates, Chartered Accountants have indicated their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 20 April 2016.

PANG WEE SEE
Director

KAN KING CHOY
Director

STATEMENT BY DIRECTORS

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

The directors of **BRITE-TECH BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 40 to 105 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 40 on page 106 to the financial statements has been compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 20 April 2016.

PANG WEE SEE
Director

KAN KING CHOY
Director

STATUTORY DECLARATION

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

I, **PANG WEE SEE**, being the Officer 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 40 to 106 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
PANG WEE SEE
at Puchong in the state of Selangor Darul Ehsan
on 20 April 2016

PANG WEE SEE

Before me,

NG SAY JIN
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BRITE-TECH BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **BRITE-TECH BERHAD**, which comprise the statements of financial position as at 31 DECEMBER 2015 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 ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 105.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and of the requirements of the Companies Act 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF BRITE-TECH BERHAD (INCORPORATED IN MALAYSIA) (CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

(c) Our audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 40 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

CAS & ASSOCIATES
[No. AF 1476]
Chartered Accountants

CHEN VOON HANN
[No. 2453/07/17(J)]
Partner of the firm

Puchong
Date: 20 April 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
ASSETS EMPLOYED					
NON-CURRENT ASSETS					
Property, plant and equipment	5	21,237,996	21,287,321	6,929	8,707
Investment properties	6	17,422,476	3,240,000	–	–
Investment in subsidiary companies	7	–	–	18,218,797	18,447,198
Investment in associated company	8	–	–	–	–
Other investment	9	–	–	–	–
Deferred taxation	20	150,345	–	–	–
Goodwill	10	1,168,052	1,168,052	–	–
		39,978,869	25,695,373	18,225,726	18,455,905
CURRENT ASSETS					
Inventories	11	1,389,096	1,147,640	–	–
Trade receivables	12	7,685,649	6,865,427	335,060	358,680
Other receivables, deposits and prepayments	13	2,863,645	1,187,927	1,696,034	2,387
Amount due from a subsidiary company	14	–	–	4,130,000	–
Tax recoverable		137,350	84,555	41,085	20,085
Short term investments	15	5,761,444	14,481,041	2,277,673	8,477,921
Fixed deposits with licensed banks	16	753,683	727,483	–	–
Cash and bank balances		2,827,825	2,393,979	213,890	139,805
		21,418,692	26,888,052	8,693,742	8,998,878
TOTAL ASSETS		61,397,561	52,583,425	26,919,468	27,454,783

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015 (CONT'D)

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	25,200,000	25,200,000	25,200,000	25,200,000
Revaluation reserve	18	11,894,948	6,491,182	–	–
Retained earnings	19	16,060,304	14,517,473	1,573,080	2,143,024
Total equity attributable to owners of the Company		53,155,252	46,208,655	26,773,080	27,343,024
Non-controlling interest		796,516	714,705	–	–
TOTAL EQUITY		53,951,768	46,923,360	26,773,080	27,343,024
NON-CURRENT LIABILITIES					
Deferred taxation	20	2,297,689	1,473,774	–	–
Loan and borrowings	21	1,017,893	777,930	–	–
		3,315,582	2,251,704	–	–
CURRENT LIABILITIES					
Trade payables	22	1,977,093	1,434,527	–	–
Other payables and accruals	22	1,501,734	1,395,033	146,388	109,778
Amount due to directors	23	128,390	113,709	–	1,981
Bank overdraft	24	99,523	99,644	–	–
Loan and borrowings	21	241,102	234,590	–	–
Provision for taxation		182,369	130,858	–	–
		4,130,211	3,408,361	146,388	111,759
TOTAL LIABILITIES		7,445,793	5,660,065	146,388	111,759
TOTAL EQUITY AND LIABILITIES		61,397,561	52,583,425	26,919,468	27,454,783

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 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	25	27,059,628	23,796,446	4,140,201	3,306,800
Cost of sales		(16,140,860)	(13,355,591)	–	–
GROSS PROFIT		10,918,768	10,440,855	4,140,201	3,306,800
Other operating income		1,299,661	2,203,768	–	166,191
Administrative expenses		(5,707,832)	(6,162,607)	(1,534,107)	(1,425,376)
Other operating expenses		(897,694)	(374,304)	(1,778)	(1,778)
PROFIT FROM OPERATIONS		5,612,903	6,107,712	2,604,316	2,045,837
Impairment loss on investment in subsidiary companies		–	–	(228,401)	(400,000)
Impairment loss of goodwill		–	(400,000)	–	–
Finance income	26	448,396	479,455	229,337	246,042
Finance costs	27	(64,167)	(49,103)	–	–
PROFIT BEFORE TAXATION	30	5,997,132	6,138,064	2,605,252	1,891,879
Taxation	29	(1,278,945)	(957,227)	–	–
PROFIT AFTER TAXATION		4,718,187	5,180,837	2,605,252	1,891,879
Other comprehensive income, net of tax: Revaluation of land and buildings	18	5,485,417	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		10,203,604	5,180,837	2,605,252	1,891,879

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 2015 (CONT'D)

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the company		4,718,027	5,147,648	2,605,252	1,891,879
Non-controlling interest		160	33,189	–	–
		4,718,187	5,180,837	2,605,252	1,891,879
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the company		10,121,793	5,147,648	2,605,252	1,891,879
Non-controlling interest		81,811	33,189	–	–
		10,203,604	5,180,837	2,605,252	1,891,879
Basic earning per share attributable to owners of the company (sen)	31	1.87	2.04		

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 2015

		Attributable to equity holders of the Company					
		Non-distributable		Distributable			
2015 Group	**Note**	**Share capital RM**	**Revaluation reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interest RM**	**Total equity RM**
Balance as at 1 January 2015		25,200,000	6,491,182	14,517,473	46,208,655	714,705	46,923,360
Profit for the period		–	–	4,718,027	4,718,027	160	4,718,187
Other comprehensive income	18	–	5,403,766	–	5,403,766	81,651	5,485,417
Total comprehensive income for the financial year		–	5,403,766	4,718,027	10,121,793	81,811	10,203,604
Dividend - By the Company	32	–	–	(3,175,196)	(3,175,196)	–	(3,175,196)
Balance as at 31 December 2015		25,200,000	11,894,948	16,060,304	53,155,252	796,516	53,951,768

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 2015 (CONT'D)

		Attributable to equity holders of the Company					
		Non-distributable		Distributable			
2014 Group	Note	Share capital RM	Revaluation reserve RM	Retained earnings RM	Total RM	Non-controlling interest RM	Total equity RM
Balance as at 1 January 2014		25,200,000	7,061,290	10,163,390	42,424,680	681,516	43,106,196
Profit for the period		–	–	5,147,648	5,147,648	33,189	5,180,837
Total comprehensive income for the financial year		–	–	5,147,648	5,147,648	33,189	5,180,837
Transfer from deferred taxation upon disposal	20	–	223,925	–	223,925	–	223,925
Realisation of revaluation reserve on disposal	18	–	(794,033)	794,033	–	–	–
Dividend - By the Company	32	–	–	(1,587,598)	(1,587,598)	–	(1,587,598)
Balance as at 31 December 2014		25,200,000	6,491,182	14,517,473	46,208,655	714,705	46,923,360

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 2015

Company	**Note**	**Share capital RM**	**Retained earnings RM**	**Total RM**
Balance as at 1 January 2014		25,200,000	1,838,743	27,038,743
Total comprehensive income for the financial year		–	1,891,879	1,891,879
Dividend paid	32	–	(1,587,598)	(1,587,598)
Balance as at 31 December 2014		25,200,000	2,143,024	27,343,024
Total comprehensive income for the financial year		–	2,605,252	2,605,252
Dividend paid	32	–	(3,175,196)	(3,175,196)
Balance as at 31 December 2015		25,200,000	1,573,080	26,773,080

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 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		5,997,132	6,138,064	2,605,252	1,891,879
Adjustments for:					
Loss/(gain) on disposal of property, plant and equipment		972	(1,834,330)	–	–
Gain on disposal of other investment	9	–	(147,900)	–	(147,900)
Gain on fair value adjustment of investment properties	6	(920,000)	–	–	–
Depreciation of property, plant and equipment	5	758,851	773,443	1,778	1,778
Property, plant and equipment written off	30	14,335	16,690	–	–
Finance income	26	(448,396)	(479,455)	(229,337)	(246,042)
Finance costs	27	64,167	49,103	–	–
Bad debts written off		–	584,713	–	–
Impairment loss on goodwill	10	–	400,000	–	–
Allowance for impairment loss on trade receivables	12	568,008	221,659	–	–
Allowance for impairment loss on other receivables	13	8,602	–	–	–
Dividend income		–	–	(2,825,201)	(1,950,000)
Inventories written off	11	30,147	–	–	–
Unrealised loss on foreign exchange		69,905	–	–	–
Impairment loss on investment in subsidiary companies	7	–	–	228,401	400,000
Operating profit/(loss) before working capital changes		6,143,723	5,721,987	(219,107)	(50,285)
(Increase)/decrease in inventories		(271,603)	376,973	–	–
(Increase)/decrease in receivables		(3,072,550)	(1,145,278)	23,773	87,933
Increase/(decrease) in payables		579,362	(634,028)	36,610	(46,912)
Cash generated from/(used in) operations		3,378,932	4,319,654	(158,724)	(9,264)
Interest received		448,396	479,455	229,337	246,042
Interest paid		(64,167)	(49,103)	–	–
Income tax refund		53,451	32,325	–	21,000
Income tax paid		(1,321,432)	(1,344,337)	(21,000)	(24,285)
Net cash generated from operating activities		2,495,180	3,437,994	49,613	233,493

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 2015 (CONT'D)

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	33	(7,440,920)	(1,912,623)	–	–
Proceeds from disposal of property, plant and equipment		107,033	4,355,108	–	–
Proceeds from disposal of other investment	9	–	300,000	–	300,000
Dividends received		–	–	1,131,401	3,543,800
Net cash (used in)/generated from investing activities		(7,333,887)	2,742,485	1,131,401	3,843,800
CASH FLOWS FROM FINANCING ACTIVITIES					
Advance from/(Repayment to) directors		14,681	3,290	(1,981)	1,981
(Advance to)/repayment from a subsidiary company		–	–	(4,130,000)	2,309,522
Repayment of loan and borrowings		(260,208)	(181,979)	–	–
Dividend paid to the owners of the Company		(3,175,196)	(1,587,598)	(3,175,196)	(1,587,598)
Net cash (used in)/generated from financing activities		(3,420,723)	(1,766,287)	(7,307,177)	723,905
Net (decrease)/increase in cash and cash equivalents		(8,259,430)	4,414,192	(6,126,163)	4,801,198
Cash and cash equivalents as at beginning of the financial year		17,502,859	13,088,667	8,617,726	3,816,528
Cash and cash equivalents as at end of the financial year		9,243,429	17,502,859	2,491,563	8,617,726
Cash and cash equivalents comprise of:					
Short term investments		5,761,444	14,481,041	2,277,673	8,477,921
Fixed deposits with licensed banks		753,683	727,483	–	–
Cash and bank balances		2,827,825	2,393,979	213,890	139,805
Bank overdraft		(99,523)	(99,644)	–	–
		9,243,429	17,502,859	2,491,563	8,617,726

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 2015

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 Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan.

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates. The financial statements of the Company as at and for the financial year ended 31 December 2015 do not include other entities.

The Company is principally engaged in the business of investment holding and provision of management services to subsidiary companies. The principal activities of its subsidiary companies are set out in Note 7 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 20 April 2016.

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, 1965 in Malaysia.

The accounting policies adopted by the Company are consistent with those adopted in the previous years.

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2015:

Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions
Annual improvements to MFRSs 2010 - 2012 Cycle	
Annual improvements to MFRSs 2011 - 2013 Cycle	

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

2.3 Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2016

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to MFRS 101	Disclosure Initiative
Amendments to MFRS 127	Equity Method in Separate Financial Statements
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS 10, MFRS 12 & MFRS 128	Investment Entities : Applying the Consolidation Exception
Annual improvements to MFRSs 2012 - 2014 Cycle	

Effective for financial periods beginning on or after 1 January 2018

MFRS 15	Revenue from Contracts with Customers
MFRS 9	Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)

Effective date to be determined by Malaysian Accounting Standards Board

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

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in the financial year beginning 1 January 2016. The Group and the Company do not expect any material impact to the financial statements of the above pronouncements other than the two Standards described below, for which the effects of adoption are still being assessed:

2.3.1 MFRS 15 Revenue from Contracts with Customers

MFRS 15 Revenue from Contracts with Customers was issued in September 2014 and established a five-step model that will apply to recognition of revenue arising from contracts with customers. Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognising revenue.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

2.3 Standards issued but not yet effective (Cont'd)

2.3.2 MFRS 9, Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments , replacing MFRS 139. This Standard makes changes to the requirements for classification and measurement, impairment and hedge accounting. The adoption of this Standard will have an effect on the classification and measurement of the Group's and of the Company's financial assets, but no impact on the classification and measurement of the Group's and of the Company's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

2.4 Basis of measurement

The financial statements of the Group and 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 is presented in RM, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2015.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

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

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

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

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

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated income statements and statements of 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. Acquisition of NCI are accounted for using the parent entity extension method, whereby the difference between the consideration and the fair value of the share of the net assets acquired is recognized equity.

3.2 Investment in subsidiaries

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

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Business combination and goodwill

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

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

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, 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 139, 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 3.7.

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 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Investment in associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

3.5 Property, plant and equipment

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property, plant and equipment (Cont'd)

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

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

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

Except for freehold land and building under construction, depreciation on the property, plant and equipment is 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	1 - 2%
Leasehold land and buildings	Remaining lease period of 70 to 98 years
Electrical fittings	5 - 10%
Motor vehicles	10 - 25%
Furniture and fittings, laboratory, office, demo, research and development, store equipment, machinery and signboard	5 - 25%
Renovation	10 - 20%

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

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

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

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

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.7 on impairment of non-financial assets.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Investment properties

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

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

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

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

3.7 Impairment of non-financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

3.8 Other investment

Investment in unquoted shares is stated at cost less accumulated impairment losses, if any. Other investment is classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

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

3.9 Inventories

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

3.10 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. These also include bank overdrafts that form an intergral part of the Group's cash management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial assets

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

A financial asset is recognised initially, at its fair value plus, in the case of a financial instrument not at Fair Value Through Profit or Loss ("FVTPL"), transaction costs that are directly attributable to the acquisition or issue of the financial asset.

The Group and the Company determine the classification of financial assets upon initial recognition. The categories include financial assets at Fair Value Through Profit or Loss ("FVTPL"), loans and receivables, Held-To-Maturity ("HTM") investments and Available-For-Sale ("AFS") financial assets.

3.11.1 Financial assets at FVTPL

Financial assets are classified as financial assets at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other income or other losses.

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current, whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company do not have any financial assets at FVTPL at the current and previous financial year ends.

3.11.2 HTM investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

The Group and the Company do not have any HTM investments at the current and previous financial year ends.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial assets (Cont'd)

3.11.3 Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the loans and receivables are impaired or derecognised.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the financial year end; these are classified as non-current.

3.11.4 AFS financial assets

AFS financial assets are financial assets that are designated as such or are not classified in any of the three preceding categories.

After initial recognition, AFS financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an AFS equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

The Group's and the Company's AFS financial assets comprise investment in unquoted shares. Investments in unquoted shares whose fair value cannot be reliably measured are measured at cost less impairment loss.

AFS financial assets which are not expected to be realised within 12 months after the financial year end are classified as non-current assets.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default, significant delay in payments or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

3.12.1 Financial assets carried at amortised cost

For financial assets carried at amortised cost, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of financial assets (Cont'd)

3.12.2 AFS financial assets

In the case of equity investments classified as available–for–sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market.

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation or accretion) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on AFS equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For AFS debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

3.13 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.

3.14 Financial liabilities

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

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

The measurement of financial liabilities depends on their classification as described below:

3.14.1 Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 139 are satisfied. The Group and the Company do not have any financial liabilities at FVTPL in the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Financial liabilities (Cont'd)

3.14.2 Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.15 Leases

3.15.1 Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

3.15.2 Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Borrowings

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

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

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

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

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

3.17 Income tax

3.17.1 Current tax

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

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

3.17.2 Deferred tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Income tax (Cont'd)

3.17.2 Deferred tax (Cont'd)

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

3.18 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

3.19 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measure at the fair value of consideration received or receivable.

3.19.1 Sale of goods and services

Revenue from sales of goods is recognised when the significant risks and rewards of ownerships of the goods have been transferred to the buyer. 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 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 Revenue recognition (Cont'd)

3.19.2 Contract income

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

3.19.3 Dividend income

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

3.19.4 Interest income

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

3.19.5 Management fee

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

3.19.6 Rental income

Rental income is recognised on an accrual basis.

3.20 Employee benefits

3.20.1 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 the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.20.2 Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Foreign currency

3.21.1 Functional and presentation currency

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

3.21.2 Foreign currency transactions

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

3.22 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are disclosed in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.23 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 ends.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.24 Related parties

A party is related to an entity if:-

(i) directly, or indirectly through one or more intermediaries, the party:-
- controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the entity that gives it significant influence over the entity; or
- has joint control over the entity;

(ii) the party is an associated of the entity;
(iii) the party is a joint venture in which the entity is a venturer;
(iv) the party is a member of the key management personnel of the entity or its parent;
(v) the party is a closed member of the family of any individual referred to in (i) or (iv);
(vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
(vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

3.25 Fair value measurement

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.26 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.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reporting amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, there were no critical judgements made by management on the amounts recognised in the consolidated financial statements.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

4.2.1 Revaluation of property, plant and equipment and investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 30 December 2015 for investment properties and revalued land and buildings. A valuation methodology based on comparison method of valuation (open market value) was used, which entails comparing recorded transaction at similar properties in the vicinity and/or investment method of valuation, which entails the capitalisation of net income of the property. In addition, it measures land and buildings at revalued amounts with changes in fair value being recognised in OCI.

4.2.2 Depreciation of plant and machinery

The cost of 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 plant and equipment to be within a range of 4 to 20 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 the Company's plant and equipment at the reporting date is disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

4.2 Key sources of estimation uncertainty (Cont'd)

4.2.3 Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Reviews are made periodically by management to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

4.2.4 Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the tax losses, capital allowances and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Total carrying value of unrecognised tax losses, unabsorbed capital allowances and other taxable temporary differences of the Group are disclosed in Note 20.

4.2.5 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. 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.

4.2.6 Impairment of trade and other receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

4.2 Key sources of estimation uncertainty (Cont'd)

4.2.7 Impairment of goodwill

The Group and the Company perform an annual assessment of the carrying value of its goodwill against the recoverable amount of the cash-generating units ("CGUs") to which the goodwill have 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 CGU's 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.

4.2.8 Classification between investment properties and owner-occupied properties

The Group determines whether a property 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.

4.2.9 Impairment of non-financial assets

When recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

4.2.10 Classification of leasehold land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group

2015	Note	Freehold lands and buildings (at valuation) RM	Leasehold lands and buildings (at valuation) RM	Building under construction RM	Motor vehicles RM	Furniture fittings, laboratory, signboard demo, store, office, research and development equipment and machinery RM	Electrical fittings RM	Renovation RM	Total RM
At cost, unless otherwise stated									
Balance as at 1 January 2015		16,045,269	1,150,000	478,529	3,921,159	7,850,384	250,922	644,828	30,341,091
Additions		7,016,807	–	455,307	30,440	423,447	13,155	8,447	7,947,603
Revaluation	18	3,877,687	2,269,052	–	–	–	–	–	6,146,739
Elimination of accumulated depreciation on revaluation		(264,648)	(61,692)	–	–	–	–	–	(326,340)
Disposal/written off		–	–	–	(89,556)	(64,595)	(3,200)	(12,860)	(170,211)
Transfer to investment properties	6	(10,205,116)	(2,123,524)	(933,836)	–	–	–	–	(13,262,476)
Balance as at 31 December 2015		16,469,999	1,233,836	–	3,862,043	8,209,236	260,877	640,415	30,676,406
Accumulated depreciation									
Balance as at 1 January 2015		199,419	46,269	–	3,049,458	5,074,580	92,685	591,359	9,053,770
Charge for the year		65,229	15,423	–	135,706	508,629	9,661	24,203	758,851
Elimination of accumulated depreciation on revaluation		(264,648)	(61,692)	–	–	–	–	–	(326,340)
Disposal/written off		–	–	–	(11,941)	(19,870)	(3,200)	(12,860)	(47,871)
Balance as at 31 December 2015		–	–	–	3,173,223	5,563,339	99,146	602,702	9,438,410

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

Group

2014	**Freehold lands and buildings (at valuation) RM**	**Leasehold lands and buildings (at valuation) RM**	**Building under construction RM**	**Motor vehicles RM**	**Furniture fittings, laboratory, signboard demo, store, office, research and development equipment and machinery RM**	**Electrical fittings RM**	**Renovation RM**	**Total RM**
At cost, unless otherwise stated								
Balance as at 1 January 2014	15,074,724	3,750,000	28,787	3,776,872	7,482,982	194,112	643,848	30,951,325
Additions	970,545	–	449,742	179,287	623,870	59,450	980	2,283,874
Disposal/written off	–	(2,600,000)	–	(35,000)	(256,468)	(2,640)	–	(2,894,108)
Balance as at 31 December 2014	16,045,269	1,150,000	478,529	3,921,159	7,850,384	250,922	644,828	30,341,091
Accumulated depreciation								
Balance as at 1 January 2014	134,189	125,516	–	2,940,804	4,786,113	84,437	565,908	8,636,967
Charge for the year	65,230	15,423	–	129,946	526,989	10,404	25,451	773,443
Disposal/written off	–	(94,670)	–	(21,292)	(238,522)	(2,156)	–	(356,640)
Balance as at 31 December 2014	199,419	46,269	–	3,049,458	5,074,580	92,685	591,359	9,053,770
Net carrying amounts								
Balance as at 31 December 2015	16,469,999	1,233,836	–	688,820	2,645,897	161,731	37,713	21,237,996
Balance as at 31 December 2014	15,845,850	1,103,731	478,529	871,701	2,775,804	158,237	53,469	21,287,321

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

Company 2015	Furniture and fittings, and office equipments RM	Renovation RM	Total RM
Cost			
Balance as at 1 January 2015	48,847	64,382	113,229
Additions	–	–	–
Disposals	–	–	–
Balance as at 31 December 2015	48,847	64,382	113,229
Accumulated depreciation			
Balance as at 1 January 2015	40,300	64,222	104,522
Charge for the year	1,621	157	1,778
Disposal	–	–	–
Balance as at 31 December 2015	41,921	64,379	106,300
2014			
Cost			
Balance as at 1 January 2014	48,847	64,382	113,229
Additions	–	–	–
Disposals	–	–	–
Balance as at 31 December 2014	48,847	64,382	113,229
Accumulated depreciation			
Balance as at 1 January 2014	38,679	64,065	102,744
Charge for the year	1,621	157	1,778
Disposal	–	–	–
Balance as at 31 December 2014	40,300	64,222	104,522
Net carrying amounts			
Balance as at 31 December 2015	6,926	3	6,929
Balance as at 31 December 2014	8,547	160	8,707

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

The carrying amount of the property, plant and equipment under finance lease of the Group are as follows:

	2015 RM	2014 RM
Motor vehicles	610,021	762,934

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 21:

	2015 RM	2014 RM
Net carrying value		
Freehold lands and buildings	1,795,000	1,427,051
Leasehold land and building	933,836	–

Revaluation of lands and buildings

The fair value of the lands and buildings of the Group were revalued on 5 October 2011 and 12 December 2011 by Messrs. Chartwell ITAC International (Kajang) Sdn Bhd, an independent professional valuer, registered with the Board of Valuers, Appraisers and Estate Agents, based on the Comparison Method (open market value).

On 30 December 2015, the lands and buildings of the Group was revalued again by an independent qualified valuer, Nasir, Sabaruddin & Associates, registered with Board of Valuers, Appraisers and Estate Agents, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation. The resultants revaluation surplus of RM5,485,417 (net of deferred taxation) had been recognised as other comprehensive income.

Renown Orient Sdn. Bhd., a wholly owned subsidiary of Brite-Tech Berhad has disposed off two pieces of vacant leasehold land in Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim on 3 April 2014 for a total consideration of RM4,339,659 resulted in a gain on disposal of RM1,834,330.

Had the revalued assets been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets of the Group would have been RM5,494,873 (2014: RM6,211,557).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

6. *INVESTMENT PROPERTIES*

	Group 2015 RM	Group 2014 RM
At beginning of the financial year	3,240,000	3,240,000
Gain on fair value adjustment of investment properties	920,000	–
Transfer from property, plant and equipment (Note 5)	13,262,476	–
At end of the financial year	17,422,476	3,240,000

Revaluation of investment properties

The fair value of the investment properties of the Group at 31 December 2011 is determined by a valuation carried out by Messrs. Chartwell ITAC International (Kajang) Sdn Bhd, an independent professional valuer, registered with the Board of Valuers, Appraisers and Estate Agents, based on the Comparison Method (open market value).

On 30 December 2015, the investment properties of the Group was revalued again by an independent qualified valuer, Nasir, Sabaruddin & Associates, registered with Board of Valuers, Appraisers and Estate Agents, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation. The resultants gain on fair value adjustment of investment properties of RM920,000 had been recognised as other operating income.

Transfer from property, plant and equipment

During the financial year, the Group transferred three pieces of lands and five units of double-storey shop offices that were previously held as owner-occupied properties to investment properties. The Directors intend to held these properties for the purpose to earn rentals or for capital appreciation purpose.

	Group 2015 RM	Group 2014 RM
Rental income derived from investment properties	186,113	124,200
Direct operating expenses generating rental income	(6,676)	(7,076)
Profit arising from investment properties carried at fair value	179,437	117,124

The Group have pledged investment properties with carrying amount of RM3,617,360 (2014: RM440,000) to licensed banks to secure banking facilities granted to the Group as referred to in Note 21.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

6. INVESTMENT PROPERTIES (CONT'D)

Fair value information

The Group's investment properties and fair value hierarchy as at 31 December 2015 and 31 December 2014 are as follows:

Group

	2015			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
Investment properties	–	17,422,476	–	17,422,476
	–	17,422,476	–	17,422,476

	2014			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
Investment properties	–	3,240,000	–	3,240,000
	–	3,240,000	–	3,240,000

The fair value of the investment properties as at 31 December 2014 are estimated by the Directors at approximately RM3,240,000 and the changes in the fair value of the investment properties since the last financial year are insignificant.

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 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 investment property, 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 property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

7. *INVESTMENT IN SUBSIDIARY COMPANIES*

	Company 2015 RM	Company 2014 RM
Unquoted shares, at cost	23,165,449	23,165,449
Less: Accumulated impairment		
At beginning of the financial year	4,718,251	4,318,251
Impairment losses recognised during the financial year	228,401	400,000
At end of the financial year	4,946,652	4,718,251
Carrying amount	18,218,797	18,447,198

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

Name of subsidiaries	Effective equity interest 2015	Effective equity interest 2014	Principal activities
Brite-Tech Corporation Sdn. Berhad	100%	100%	To provide a complete range of services and products in the field of water treatment, pollution control and fuel treatment as well as engineered and formulated chemical products for water clarification, wastewater treatment, minimizing wastewater sludge generation, steam generation system and cooling water system.
Hooker Chemical Sdn. Berhad	100%	100%	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%	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%	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 2015 (CONT'D)

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name of subsidiaries	Effective equity interest 2015	2014	Principal activities
Spectrum Laboratories (Johore) Sdn. Berhad	100%	100%	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.

(The Company holds 70.64% direct interest in Spectrum Laboratories (Johore) Sdn. Berhad, 14.68% is held indirectly through Brite-Tech Corporation Sdn. Berhad and the remaining 14.68% is held indirectly through Hooker Chemical Sdn. Berhad)

Name of subsidiaries	Effective equity interest 2015	2014	Principal activities
Spectrum Laboratories (Penang) Sdn. Berhad	100%	100%	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.

(The Company holds 70.24% direct interest in Spectrum Laboratories (Penang) Sdn. Berhad, the remaining 29.76% is held indirectly through Spectrum Laboratories Sdn. Berhad)

Name of subsidiaries	Effective equity interest 2015	2014	Principal activities
Renown Orient Sdn. Bhd.	100%	100%	In the process of being striking off.
Brite-Tech (Sabah) Sdn. Bhd.	89%	89%	In the process of being striking off.
Sincere United Sdn. Bhd.	70%	70%	To import and export chemical and other raw materials.
Tan Tech-Polymer Sdn. Bhd.	60%	60%	To provide consultancy services and manufacturing of polymers and its related products.
Subsidiary company of Brite-Tech Corporation Sdn. Berhad			
Cybond Chemical Sdn. Bhd.	100%	100%	To provide water treatment chemicals and provide other related services.
Subsidiary company of Hooker Chemical Sdn. Berhad			
Akva-Tek Sdn. Bhd.	51%	51%	The Company has ceased its operation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

8. INVESTMENT IN ASSOCIATED COMPANY

	Group	
	2015 RM	**2014 RM**
Investment in associated company, at cost	11,400	11,400
Less: Impairment loss recognised	(11,400)	(11,400)
	–	–

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

Name of associate	**Effective equity interest 2015**	**Effective equity interest 2014**	**Principal activities**
Hooker Chemical (Johore) Sdn. Berhad	19%	19%	In the process of being striking off.

(Associated Company of Hooker Chemical Sdn. Berhad)

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

9. OTHER INVESTMENT

	Group and Company	
	2015 RM	**2014 RM**
Non-current		
Unquoted shares, at cost		
Available-for-sale financial asset, at the beginning of financial year	–	152,100
Less: Disposal during the financial year	–	(152,100)
	–	–

Investment in unquoted shares of the Group, designated as available-for-sale financial asset is stated at cost as their fair values cannot be measured using valuation techniques due to lack of marketability of the shares.

On 3 January 2014, the above investment was sold for RM300,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

10. GOODWILL

	Group 2015 RM	Group 2014 RM
Cost		
At beginning/end of the financial year	5,678,772	5,678,772
Accumulated impairment		
At beginning of the financial year	4,510,720	4,110,720
Impairment losses recognised	–	400,000
At end of the financial year	4,510,720	4,510,720

	2015 RM	2014 RM
Carrying amount	1,168,052	1,168,052

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

	Group 2015 RM	Group 2014 RM
Manufacturing - CGU 1	1,168,052	1,168,052

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

The key assumptions used in the computation of value in use are discount rates, growth rates and projected cash flows from use and disposal at the end of the useful life.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

10. GOODWILL (CONT'D)

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

	Manufacturing segment %
Profit margin	21
Growth rate	3
Discount rate	10

11. INVENTORIES

	Group	
	2015 RM	2014 RM
Laboratory supplies	115,125	127,137
Raw materials	749,752	567,708
Work-in-progress	19,974	11,311
Finished goods	534,392	441,484
	1,419,243	1,147,640
Less: Inventories written down	(30,147)	–
	1,389,096	1,147,640

12. TRADE RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables - gross	8,597,386	7,310,254	335,060	358,680
Less: Allowance for impairment loss	(911,737)	(444,827)	–	–
Trade receivables - net	7,685,649	6,865,427	335,060	358,680

Movement in the allowance for impairment losses

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

12. TRADE RECEIVABLES (CONT'D)

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

	Group	
	2015 RM	**2014 RM**
At beginning of the financial year	444,827	236,138
Impairment losses recognised	568,008	221,659
Allowance written off	–	(12,970)
Allowance for impairment losses recovered	(101,098)	–
At end of the financial year	911,737	444,827

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 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 analysis of the Group's and of the Company's trade receivables are as follow:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Neither past due nor impaired	5,032,966	4,884,203	142,040	163,300
Past due 1 - 30 days	1,133,103	606,199	–	–
Past due 31 - 60 days	655,816	354,862	–	–
Past due more than 60 days	1,775,501	1,464,990	193,020	195,380
	8,597,386	7,310,254	335,060	358,680
Receivables past due and impaired	(911,737)	(444,827)	–	–
	7,685,649	6,865,427	335,060	358,680

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired relate to customers for whom there are no default and considered to be creditworthy and able to settle their debts. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

12. TRADE RECEIVABLES (CONT'D)

Receivables that are past due but not impaired

As at 31 December 2015, the Group has trade receivables amounting to RM2,652,683 (2014: RM1,981,224) that are past due at the reporting date but not impaired. Trade receivables that are past due but not impaired relate to customers that have no expectation of default based on historical dealings with the Group. Based on past experience and no adverse information to date, the Directors of the Group are of the opinion that no allowance for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered to be fully recoverable.

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

The Group's normal trade credit term range from 60 to 90 days (2014: 60 to 90 days). Other credit terms are assessed and approved on a case by case basis.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables - gross	429,375	110,699	234	187
Less: Allowance for impairment loss	(782)	–	–	–
Other receivables - net	428,593	110,699	234	187
Deposits - gross	2,145,897	967,582	2,000	2,000
Less: Allowance for impairment loss	(7,820)	–	–	–
Deposits - net	2,138,077	967,582	2,000	2,000
Prepayments	296,975	109,646	–	200
Dividend receivable from subsidiary companies	–	–	1,693,800	–
	2,863,645	1,187,927	1,696,034	2,387

14. AMOUNT DUE FROM A SUBSIDIARY COMPANY

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

15. 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 2.78% to 3.57% (2014: 2.90% to 3.23%) 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 2015 (CONT'D)

16. FIXED DEPOSITS WITH LICENSED BANKS

The average effective interest rates of the fixed deposits with licensed banks at the reporting date is 3.05% to 3.68% (2014: 2.51% to 3.68%) per annum and with maturity period of 2 months (2014: 1 month to 5 months).

17. SHARE CAPITAL

	Group and Company			
Ordinary shares of RM0.10 each	**2015** Number of shares	**2014** Number of shares	**2015 RM**	**2014 RM**
Authorised:				
Balance at the beginning and end of the financial year	500,000,000	500,000,000	50,000,000	50,000,000
Issued and fully paid:				
Balance at the beginning and end of the financial year	252,000,000	252,000,000	25,200,000	25,200,000

18. REVALUATION RESERVE

Revaluation reserve arose from the revaluation of the properties of the Group as disclosed in Note 5. Revaluation reserve are not available for distribution as dividends to the Company's shareholders.

The following are the movements of revaluation reserve:

	2015 RM	2014 RM
Properties		
At beginning of the financial year	6,491,182	7,061,290
Recognised in other comprehensive income:		
Revaluation increase (Note 5)	6,146,739	–
Less: Deferred tax liability on revaluation surplus (Note 20)	(661,322)	–
Revaluation increase, net of tax	5,485,417	–
Transfer from deferred taxation upon disposal (Note 20)	–	223,925
Minority interest on revaluation surplus	(81,651)	–
Realisation of revaluation reserve on disposal	–	(794,033)
At end of the financial year	11,894,948	6,491,182

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

19. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2015 and 31 December 2014 may be distributed as dividends under the single tier system.

20. DEFERRED TAXATION

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The following amounts, determined after appropriate offsetting, are shown in the the statement of financial position.

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Deferred tax assets, net	(150,345)	–	–	–
Deferred tax liabilities, net	2,297,689	1,473,774	–	–
	2,147,344	1,473,774	–	–

The following are the movements of deferred tax liabilities:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
At beginning of the financial year	1,473,774	1,914,180	–	–
Recognised in profit or loss (Note 29)	12,248	(216,481)	–	–
Recognised in the equity (Note 18)	661,322	(223,925)	–	–
At end of the financial year	2,147,344	1,473,774	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

20. DEFERRED TAXATION (CONT'D)

Recognised deferred tax assets and liabilities (Cont'd)

The components of the deferred tax assets and liabilities at the end of the financial year comprise tax effects of:

	Group	
	2015 RM	2014 RM
Deferred tax assets		
Unabsorbed capital allowance	27,998	10,211
Unabsorbed tax losses	119,170	–
Shortfall of capital allowances over corresponding depreciation	2,183	–
Other deductible temporary differences	92,095	133,573
Relating to reduction in Malaysian income tax rate	(3,255)	–
Deferred tax assets (before offsetting)	238,191	143,784
Offsetting	(87,846)	(143,784)
Deferred tax assets (after offsetting)	150,345	–
Deferred tax liabilities		
Revaluation surplus arise from properties	1,842,654	1,192,077
Gain on fair value adjustment of investment properties	127,727	–
Excess of capital allowances over corresponding depreciation	432,316	425,481
Relating to reduction in Malaysian income tax rate	(17,162)	–
Deferred tax liabilities (before offsetting)	2,385,535	1,617,558
Offsetting	(87,846)	(143,784)
Deferred tax liabilities (after offsetting)	2,297,689	1,473,774

Unrecognised deferred tax assets

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Plant and equipment	(12,843)	(9,001)	(6,929)	(8,320)
Unabsorbed capital allowances	94,508	182,307	387	–
Unutilised tax losses	1,529,477	1,951,844	144,382	161,557
	1,611,142	2,125,150	137,840	153,237
Unrecognised deferred tax assets at 24% (2014: 25%)	386,674	531,288	33,082	38,309

The unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The unabsorbed capital allowances and unutilised tax losses are subject to the agreement of the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

21. LOAN AND BORROWINGS

	Group	
	2015 RM	**2014 RM**
Current liabilities		
Secured		
Finance lease liabilities	159,254	211,310
Term loan	81,848	23,280
	241,102	234,590
Non-current liabilities		
Secured		
Finance lease liabilities	142,865	310,124
Term loan	875,028	467,806
	1,017,893	777,930
Total borrowings		
Secured		
Finance lease liabilities	302,119	521,434
Term loan	956,876	491,086
	1,258,995	1,012,520

Rates of interest charged per annum:

	Group	
	2015 %	**2014 %**
Finance lease liabilities	2.44 - 3.30	2.46 - 3.30
Term loan 1	BLR - 2.00% p.a	BLR - 2.00% p.a
Term loan 2	BLR - 2.10% p.a	BLR - 2.10% p.a

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

21. LOAN AND BORROWINGS (CONT'D)

(a) Finance lease liabilities

	Group	
	2015 RM	2014 RM
Minimum lease payment		
- Not later than one year	170,245	230,771
- Later than one year and not later than five years	149,888	326,759
	320,133	557,530
Future finance charges on finance lease	(18,014)	(36,096)
Present value of finance lease liabilities	302,119	521,434

Present value of finance lease is analysed as follows:

	Group	
	2015 RM	2014 RM
Current liabilities		
- Not later than one year	159,254	211,310
Non-current liabilities		
- Later than one year and not later than five years	142,865	310,124
	302,119	521,434

The Group obtains finance lease facilities to finance certain of its plant and machinery and motor vehicles. The average remaining lease term is 1.8 years as at 31 December 2015. Implicit interest rate of the finance lease is fixed at the date of the agreement, and the amount of lease payments are fixed throughout the lease period. The Group has the option to purchase the assets at the end of the agreement with minimum purchase considerations. There is no significant restriction clauses imposed on the finance lease arrangements.

(b) Term loan

	Group	
	2015 RM	2014 RM
Repayable:		
- Not later than one year	81,848	23,280
- Later than one year and not later than five years	348,689	307,371
- More than five year	526,339	160,435
	956,876	491,086

These facilities are secured by the following:

(i) legal charge over assets of the Group as disclosed in Note 5 and Note 6; and
(ii) corporate guarantee by the Company

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Gross amount	1,977,093	1,434,527	–	–
Add:				
Other payables	453,959	161,153	18,389	–
Accruals	986,625	1,195,030	127,999	109,778
Deposits received	61,150	38,850	–	–
Total financial liabilities carrying at amortised costs	3,478,827	2,829,560	146,388	109,778

The trade payables are non-interest bearing and the normal trade credit terms received by the Company range from 60 to 90 days (2014: 60 to 90 days).

23. AMOUNT DUE TO DIRECTORS

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

24. BANK OVERDRAFT

	Group	
	2015 RM	2014 RM
Unsecured	99,523	99,644

The bank overdrafts of the Group are denominated in RM, bear interest at BLR + 1.50% and secured by corporate guarantee of the Company.

25. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trading sales and services	27,059,628	23,796,446	–	–
Dividend income from subsidiaries	–	–	2,825,201	1,950,000
Management fee income	–	–	1,315,000	1,356,800
	27,059,628	23,796,446	4,140,201	3,306,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

26. FINANCE INCOME

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Interest income on:				
Fixed deposits	33,517	82,663	1,717	13,901
Bank interest	16,697	715	–	–
Short-term investment	398,182	389,419	227,620	232,141
Other interest	–	6,658	–	–
	448,396	479,455	229,337	246,042

27. FINANCE COSTS

	Group	
	2015 RM	2014 RM
Interest expenses on:		
Finance leases	18,240	23,041
Overdraft	8,150	7,932
Term loans	33,913	12,699
Others	3,864	5,431
	64,167	49,103

28. EMPLOYEES BENEFIT EXPENSES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries, wages, bonuses and allowances	5,600,624	5,018,065	1,261,313	1,163,932
Pension costs: defined contribution plans	627,788	584,532	106,372	107,186
Social security costs	54,544	52,791	2,596	3,164
	6,282,956	5,655,388	1,370,281	1,274,282

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

28. EMPLOYEES BENEFIT EXPENSES (CONT'D)

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, as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive Directors:				
Salaries	883,200	897,600	691,200	691,200
Bonus	180,800	69,850	172,800	57,600
Fees	348,000	312,000	348,000	312,000
Non-Executive Directors:				
Fees	28,800	28,800	28,800	28,800
	1,440,800	1,308,250	1,240,800	1,089,600

29. TAXATION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Provision for current financial year	1,339,441	1,179,733	–	–
Overprovided in the previous financial year	(72,744)	(6,025)	–	–
	1,266,697	1,173,708	–	–
Deferred taxation (Note 20)				
Recognised in the income statement	9,617	24,922	–	–
Under/(over)provided in the previous financial year	16,538	(241,403)	–	–
Relating to reduction in Malaysian income tax rate	(13,907)	–	–	–
	12,248	(216,481)	–	–
Tax expenses for the current financial year	1,278,945	957,227	–	–

Domestic current income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective year of assessment 2016. The computation of deferred tax as at 31 December 2015 has reflected these changes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

29. TAXATION (CONT'D)

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

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Profit before taxation	5,997,132	6,138,064	2,605,252	1,891,879
Tax at the statutory tax rate of 25% (2014: 25%)	1,499,283	1,534,516	651,313	472,970
Non-deductible expenses	129,160	250,641	75,782	129,403
Non-taxable income	(316,246)	(600,261)	(763,635)	(585,986)
Deferred tax assets not recognised during the financial year	53,890	48,659	36,540	–
Utilisation of previously unrecognised capital allowances	8,538	–	–	–
Utilisation of previously unrecognised deferred tax assets	(142,549)	(16,387)	–	(16,387)
Deferred tax arising from gain on fair value adjustment of investment property	127,726	–	–	–
Crystallisation of deferred tax liabilities arose from revaluation surplus	(10,744)	(12,513)	–	–
Taxation overprovided in the previous financial year	(72,744)	(6,025)	–	–
Relating to reduction in Malaysian income tax rate	(13,907)	–	–	–
Deferred taxation under/(over) provided in the previous financial year	16,538	(241,403)	–	–
Tax expenses for the current financial year	1,278,945	957,227	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

30. PROFIT BEFORE TAXATION

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before taxation is arrived at after charging/(crediting):				
Allowance for impairment losses on trade receivables	568,008	221,659	–	–
Allowance for impairment losses on other receivables	8,602	–	–	–
Auditors' remuneration:				
- statutory audit	52,000	52,000	11,000	11,000
- non-audit services	3,000	3,000	3,000	3,000
Bad debts written off	–	584,713	–	–
Depreciation of property, plant and equipment	758,851	773,443	1,778	1,778
Directors' fee	376,800	340,800	376,800	340,800
Directors' non-fee emoluments	1,064,000	967,450	967,680	845,568
Finance expenses	64,167	49,103	–	–
Impairment loss on goodwill	–	400,000	–	–
Impairment loss on investment in subsidiary companies	–	–	228,401	400,000
Inventories written off	30,147	–	–	–
Plant and equipment written off	14,335	16,690	–	–
Realised loss on foreign exchange	32,436	–	–	–
Unrealised loss on foreign exchange	69,905	–	–	–
Rental of equipment	6,577	13,075	–	–
Rental of motor vehicle	13,078	8,670	–	–
Rental of premises	83,300	89,450	–	–
Bad debts recovered	–	(34,070)	–	–
Allowance for impairment losses recovered	(101,098)	–	–	–
Dividend income from subsidiary companies	–	–	(2,825,201)	(1,950,000)
Finance income	(448,396)	(479,455)	(229,337)	(246,042)
Realised gain on foreign exchange	(65,278)	(12,765)	–	–
Loss/(gain) on disposal of property, plant and equipment	972	(1,834,330)	–	–
Gain on fair value adjustment of investment properties	(920,000)	–	–	–
Gain on disposal of other investment	–	(147,900)	–	(147,900)
Management fee income	–	–	(1,315,000)	(1,356,800)
Rental income	(207,113)	(157,910)	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

31. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2015 is based on the profit attributable to ordinary shareholders and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2015 RM	2014 RM
Profit attributable to ordinary shareholders (RM)	4,718,027	5,147,648
Weighted average number of ordinary shares	252,000,000	252,000,000
Basic earnings per ordinary share (sen)	1.87	2.04

(b) Diluted earnings per ordinary share

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

32. DIVIDEND

	Group and Company	
	2015 RM	2014 RM
Paid:		
In respect of the financial year ended 31 December 2015 an interim single tier dividend of 0.63 sen per ordinary share	1,587,598	–
In respect of the financial year ended 31 December 2014 a first and final single tier dividend of 0.63 sen per ordinary share	1,587,598	–
In respect of the financial year ended 31 December 2013 a first and final single tier dividend of 0.63 sen per ordinary share	–	1,587,598
	3,175,196	1,587,598

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ended 31 December 2015, of 0.63 sen on 252,000,000 ordinary shares, amounting to a dividend payable of RM1,587,600 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

33. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group 2015 RM	Group 2014 RM
Cost of property, plant and equipment purchased	7,947,603	2,283,874
Amount financed through loan and borrowing	(506,683)	(371,251)
Cash disbursed for purchase of property, plant and equipment	7,440,920	1,912,623

34. RELATED PARTY DISCLOSURES

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

	Company 2015 RM	Company 2014 RM
Subsidiaries		
Dividend income receivable	2,825,201	1,950,000
Management fee	1,315,000	1,356,800

(b) The key management personnel comprised mainly Executive Directors of the Company whose remuneration are disclosed in Note 28.

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.

35. CAPITAL COMMITMENT

As of 31 December 2015, the Group and the Company have the following capital commitment:

	Group 2015 RM	Group 2014 RM
Approved and contracted for arising from:		
Purchase of property, plant and equipment	2,959,450	7,514,205

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

36. CONTINGENT LIABILITIES

	Company 2015 RM	Company 2014 RM
Unsecured:-		
Corporate guarantee given to financial institutions for finance lease facilities granted to subsidiary companies	12,660,000	5,940,000

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.

37. SEGMENT INFORMATION

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

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

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

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

The Group comprises the following main business segments:

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

37. SEGMENT INFORMATION (CONT'D)

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

Group 2015	Environmental Products and Services RM	System Equipment and Ancillary Products RM	Investments RM	Eliminations RM	Total RM
Revenue					
External revenue	22,131,635	4,927,993	–	–	27,059,628
Inter-segment revenue	472,945	13,111	1,315,000	(1,801,056)	–
Total revenue	22,604,580	4,941,104	1,315,000	(1,801,056)	27,059,628
Results					
Segment results (external)	4,185,200	728,588	(220,885)	–	4,692,903
Gain on fair value adjustment of investment properties					920,000
Finance income					448,396
Finance costs					(64,167)
Profit before tax					5,997,132
Income tax expense					(1,278,945)
Profit after tax					4,718,187
Non-controlling interests					(160)
Net profit attributable to equity holders of the Company					4,718,027
Other information					
Segment assets	47,083,755	10,271,915	3,754,196	–	61,109,866
Segment liabilities	3,849,398	969,949	146,388	–	4,965,735
Capital expenditure	7,937,658	9,945	–	–	7,947,603
Depreciation	666,937	90,136	1,778	–	758,851
Non-cash expenses other than depreciation	623,288	68,681	–	–	691,969

Major customer

During the financial year, 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 2015 (CONT'D)

37. SEGMENT INFORMATION (CONT'D)

Group 2014	Environmental Products and Services RM	System Equipment and Ancillary Products RM	Investments RM	Eliminations RM	Total RM
Revenue					
External revenue	19,644,828	4,151,618	–	–	23,796,446
Inter-segment revenue	763,330	8,961	1,356,800	(2,129,091)	–
Total revenue	20,408,158	4,160,579	1,356,800	(2,129,091)	23,796,446
Results					
Segment results (external)	3,762,153	505,198	1,840,361	–	6,107,712
Impairment loss of goodwill					(400,000)
Finance income					479,455
Finance costs					(49,103)
Profit before tax					6,138,064
Income tax expense					(957,227)
Profit after tax					5,180,837
Non-controlling interests					(33,189)
Net profit attributable to equity holders of the Company					5,147,648
Other information					
Segment assets	33,809,161	8,907,866	9,781,843	–	52,498,870
Segment liabilities	3,494,394	449,280	111,759	–	4,055,433
Capital expenditure	2,208,360	75,514	–	–	2,283,874
Depreciation	658,000	113,665	1,778	–	773,443
Non-cash expenses other than depreciation	238,119	584,943	400,000	–	1,223,062

Major customer

During the financial year, 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 2015 (CONT'D)

38. 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 the Company's businesses whilst managing its risks.

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

(a) 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 exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

The excess funds of the Group and of the Company are invested in bank deposits and other short term instruments. The Group and the Company manage their liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 50 basis points, interest income of the Group and of the Company for the Company for the financial year would increase/decrease by RM33,000 (2014: RM76,000) and RM11,000 (2014: RM42,000), respectively.

The Group is not exposed to interest rate risk on the interest bearing financial liabilities as these financial liabilities are carried at fixed rate and measured at amortised cost. As such, sensitivity analysis is not disclosed.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables. Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. For bank balances, the Group and the Company minimises credit risk by dealing exclusively with reputable financial institution. As at 31 December 2015, the Group and the Company has no significant concentration of credit risk exposure.

(c) 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 Company has not entered into any derivative financial instruments such as forward foreign exchange contracts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

(c) Foreign currency risk (Cont'd)

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

Group 2015	**USD RM**	**EURO RM**	**Others RM**	**Total RM**
Trade receivables	102,737	–	–	102,737
Cash and bank balances	150,676	1,895	15,176	167,747
Trade payables	(314,980)	(218,613)	–	(533,593)
	(61,567)	(216,718)	15,176	(263,109)

2014	**USD RM**	**EURO RM**	**Others RM**	**Total RM**
Trade receivables	112,916	–	–	112,916
Cash and bank balances	12,112	1,895	8,549	22,556
Trade payables	–	–	(2,754)	(2,754)
	125,028	1,895	5,795	132,718

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 EURO, USD and others exchange rates against the respective functional currencies of the Group, with all other variables held constant.

		2015 RM	**2014 RM**
USD/RM	- strenghthened 10%	(6,157)	12,503
	- weakened 10%	6,157	(12,503)
EURO/RM	- strenghthened 10%	(21,672)	190
	- weakened 10%	21,672	(190)
Others	- strenghthened 10%	1,518	580
	- weakened 10%	(1,518)	(580)

(d) 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 manages 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 liablities when they fall due.

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

(d) Liquidity and cash flow risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates). The effective interest rates of these financial liabilities are disclosed in the respective notes to the financial statements.

Group	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM	Total RM
2015				
Trade and other payables and accruals	3,478,827	–	–	3,478,827
Amount due to directors	128,390	–	–	128,390
Finance lease liabilities	170,245	149,888	–	320,133
Term loan	81,848	348,689	526,339	956,876
	3,859,310	498,577	526,339	4,884,226
2014				
Trade and other payables and accruals	2,829,560	–	–	2,829,560
Amount due to directors	113,709	–	–	113,709
Finance lease liabilities	230,771	326,759	–	557,530
Term loan	23,280	307,371	160,435	491,086
	3,197,320	634,130	160,435	3,991,885
Company				
2015				
Other payables and accruals	146,388	–	–	146,388
Amount due to directors	–	–	–	–
	146,388	–	–	146,388
2014				
Other payables and accruals	109,778	–	–	109,778
Amount due to directors	1,981	–	–	1,981
	111,759	–	–	111,759

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

(e) Classification of financial instruments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Financial assets				
Available for sale				
Other investment	–	–	–	–
Loans and receivables				
Trade receivables	7,685,649	6,865,427	335,060	358,680
Other receivables and deposits	2,863,645	1,187,927	1,696,034	2,387
Amount due from a subsidiary company	–	–	4,130,000	–
Short-term investments	5,761,444	14,481,041	2,277,673	8,477,921
Fixed deposits with licensed banks	753,683	727,483	–	–
Cash and bank balances	2,827,825	2,393,979	213,890	139,805
	19,892,246	25,655,857	8,652,657	8,978,793
Financial liabilities				
Other financial liabilities				
Trade payables	1,977,093	1,434,527	–	–
Other payables and accruals	1,501,734	1,395,033	146,388	109,778
Amount due to directors	128,390	113,709	–	1,981
Bank overdraft	99,523	99,644	–	–
Finance lease liabilities	302,119	521,434	–	–
Term loans	956,876	491,086	–	–
	4,965,735	4,055,433	146,388	111,759

(f) 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.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The table below analyses financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

(f) Fair value of financial instruments (Cont'd)

Group	**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**			
	Level 1	**Level 2**	**Level 3**	**Total**
2015	**RM**	**RM**	**RM**	**RM**
Financial liabilities				
Loan and borrowings	–	–	1,258,995	1,258,995
	–	–	1,258,995	1,258,995

	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1	**Level 2**	**Level 3**	**Total**
2014	**RM**	**RM**	**RM**	**RM**
Financial liabilities				
Loan and borrowings	–	–	1,012,520	1,012,520
	–	–	1,012,520	1,012,520

Company	**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**			
	Level 1	**Level 2**	**Level 3**	**Total**
2015	**RM**	**RM**	**RM**	**RM**
Financial assets				
Amount due from a subsidiary company	–	–	4,130,000	–
	–	–	4,130,000	–

	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1	**Level 2**	**Level 3**	**Total**
2014	**RM**	**RM**	**RM**	**RM**
Financial assets				
Amount due from a subsidiary company	–	–	–	–
	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

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

(f) Fair value of financial instruments (Cont'd)

Policy on transfer between levels

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

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

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

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2014: 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 a subsidiary company, loan and borrowings

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 interest rates used to discount estimated cash flows, when applicable, are as follows:

	2015 %	2014 %
Finance lease liabilities	2.44 - 3.30	2.46 - 3.30
Term loan 1	BLR - 2.00% p.a	BLR - 2.00% p.a
Term loan 2	BLR - 2.10% p.a	BLR - 2.10% p.a

The responsibility for managing the above risks is vested in the directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2015.

The Group monitors capital using a gearing ratio, which is interest-bearing debts divided by total capital. The Group's debts include bank overdraft, loan and borrowings. The Group and the Company are not subject to externally imposed capital requirements.

	Group	
	2015 RM	2014 RM
Debts		
Bank overdraft	99,523	99,644
Loan and borrowings	1,258,995	1,012,520
	1,358,518	1,112,164
Capital		
Share capital	25,200,000	25,200,000
Reserves	27,955,252	21,008,655
Non-controlling interest	796,516	714,705
Equity attributable to equity holders of the Company	53,951,768	46,923,360
Gearing ratio	2.52%	2.37%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

40. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

The following analysis of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total retained profits of the Company and its subsidiary companies:				
- realised	23,822,242	22,680,073	1,573,080	2,143,024
- unrealised	1,421,840	1,352,832	–	–
	25,244,082	24,032,905	1,573,080	2,143,024
Less: Consolidation adjustments	(9,183,778)	(9,515,432)	–	–
At 31 December	16,060,304	14,517,473	1,573,080	2,143,024

STATISTIC OF SHAREHOLDINGS

AS AT 4 APRIL 2016

Authorised Share Capital	-	RM50,000,000
Issued and Fully Paid-Up Share Capital	-	RM25,200,000
Class of Shares	-	Ordinary Share of RM0.10 each
Voting Rights	-	One vote per ordinary share
No. of Shareholders	-	759

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of Issued share capital
Less than 100	77	10.14	3,354	0.00
100 - 1,000	83	10.94	35,739	0.01
1,001 - 10,000	218	28.72	1,139,900	0.45
10,001 - 100,000	275	36.23	10,771,192	4.28
100,001 to less than 5% of issued shares	103	13.57	83,581,844	33.17
5% and above of issued shares	3	0.40	156,467,971	62.09
	759	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	Chan Ah Kien	25,213,147	10.01
3	Tan Boon Kok	24,821,963	9.85
		163,187,971	64.76

DIRECTORS' SHAREHOLDINGS

		No. of ordinary shares RM0.10 each held			
	Name	Direct	%	Indirect	%
1	Pang Wee See	113,152,861	44.90	824,400 *	0.33
2	Chan Ah Kien	25,213,147	10.01	–	–
3	Tan Boon Kok	24,821,963	9.85	16,800 **	0.01
4	Kan King Choy	10,215,841	4.05	90,552 #	0.04
5	Ir. Koh Thong How	337,200	0.13	113,152,861 +	44.90
6	Dr. Seow Pin Kwong	305,760	0.12	–	–
7	Cheng Sim Meng	–	–	–	–
8	Ng Kok Ann	–	–	–	–
9	Yee Oii Pah @ Yee Ooi Wah	487,200	0.19	113,152,861 ^	44.90

* Deemed interested by virtue of the shareholdings of 487,200 shares each, of his spouse, Yee Oii Pah @ Yee Ooi Wah and brother-in-law, Ir. Koh Thong How

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

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

** Deemed interested by virtue of the shareholdings of his spouse, Liong Mee Mee

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

LIST OF 30 LARGEST SHAREHOLDERS

AS AT 4 APRIL 2016

	Name of Shareholders	No. of Shares	%
1	Pang Wee See	113,152,861	44.90
2	Tan Boon Kok	24,821,963	9.85
3	Chan Ah Kien	18,493,147	7.34
4	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chong Foong Melw*	11,762,088	4.67
5	Kan King Choy	10,215,841	4.05
6	Chan Ah Kien	6,720,000	2.67
7	Yong Wan Chuen	3,966,300	1.57
8	Lee Ee Lee	3,305,360	1.31
9	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yap Chee Seng*	2,637,592	1.05
10	Yee Teck Hing	2,057,120	0.82
11	Lee Yew Fai	2,040,000	0.81
12	Liang G-E	1,958,824	0.78
13	Liang G-E	1,887,681	0.75
14	Liong Mei Chan	1,798,184	0.71
15	Yee De-Sheng	1,708,752	0.68
16	See Tian Chwan	1,699,000	0.67
17	Low Khar Ming	1,613,000	0.64
18	Chan Yin Juan @ Chin Hin Poon	1,192,800	0.47
19	Maheswaran A/L Rajamanickam	1,164,240	0.46
20	Chong Tuck Chiew	991,300	0.39
21	Tay Lay Cheng	989,704	0.39
22	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yap Yuen Choy (8077937)*	974,400	0.39
23	Yap Chee Teong	900,000	0.36
24	Phua Sin Loke	840,000	0.33
25	Teo Hwee Mien	814,800	0.32
26	HLIB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Leow Kuan Shu*	761,300	0.30
27	Tay Lay Cheng	699,544	0.28
28	Cheah Yoke Thai	698,904	0.28
29	Tan Boon Eng	619,800	0.25
30	Lee Jia Yian	600,000	0.24
		221,084,505	87.73

LIST OF PROPERTIES

AS AT 31 DECEMBER 2015

The following are the properties held by the Group as at 31 December 2015:

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 31.12.2015 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
P.T. No. 5015, Mukim of Damansara, District of Petaling, Selangor*	Freehold Land & Building (Rented to related company)	42,880	12,500	Triple storey office block and a single storey factory	20	20,402
P.T. No. 12144, Mukim of Kapar, District of Kelang, Selangor*	Freehold Land & Building (Operational assets held for owner occupation)	4,220	780	Double storey semidetached factory	36	1,900
				Extension	10	4,074
P.T. No. 723, H.S. (M) 956, Mukim of Setul, District of Seremban Negeri Sembilan*	Leasehold Land (99 years, expiring in 2/10/2085) (Idle)	50,939	3,057	Vacant land	–	–
PT 74007 (Plot No. 38A), Mukim Kapar, Daerah Klang, Selangor (Date of acquisition: 5 August 2013)	Freehold Land (Idle)	65,326	3,723	Vacant land	–	–
PT 74008 (Plot No. 37A), Mukim Kapar, Daerah Klang, Selangor (Date of acquisition: 5 August 2013)	Freehold Land (Idle)	65,326	3,723	Vacant land	–	–

LIST OF PROPERTIES

AS AT 31 DECEMBER 2015 (CONT'D)

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

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2015 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (M) 1117, Lot No. 4568, Mukim 14, District of Seberang Perai Tengah, Pulau Pinang.*	Freehold Building (Rented to related company)	1,540	435	Double storey shophouse	23	3,322
PTD 85433, H.S. (D) 169547, Mukim Pelentong, District of Johor Bahru, Johor.*	Freehold Building (Rented to related company)	2,400	800	Double storey shophouse	24	3,072
P.T. No. 11419, Mukim of Damansara, District of Petaling, Selangor.*	Freehold Building (Assets held for investments)	1,760	3,600	Triple storey shophouse	23	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 31.12.2015 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (D) 31573, Lot No. PTD 42295, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	9,375	580	Single storey detached factory	16	4,800
H.S. (D) 23144, Lot No. PTD 38519, Mukim and District of Kluang, Johor.*	Freehold Building (Assets held for investments)	1,540	160	$1\frac{1}{2}$ storey light industrial factory	18	2,156
PTD 32881, Mukim and District of Kluang, Johor.*	Freehold Building (Assets held for investments)	1,540	400	Double storey shophouse	21	3,080
PTD 42334, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	7,700	320	Double storey semidetached factory	14	4,675
PTD 42336, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	7,700	320	Double storey semidetached factory	14	4,675

LIST OF PROPERTIES

AS AT 31 DECEMBER 2015 (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 31.12.2015 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) (Operational assets held for owner occupation)	1,604	600	Single storey terrace factory	27	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 31.12.2015 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (M) 1116, Lot No. 4567, Mukim 14, District of Seberang Perai Tengah, Pulau Pinang.*	Freehold Building (Operational assets held for owner occupation)	1,540	435	Double storey shophouse	23	3,322

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 31.12.2015 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
PT 9826, Mukim Durian Tunggal, Daerah Alor Gajah, Melaka. (Date of acquisition: 22 April 2013)	Leasehold Land & Building (98 years, expiring in 25/03/2113) (Operational assets held for owner occupation)	9,386	934	Single storey semidetached factory with second floor office	1	3,537

LIST OF PROPERTIES

AS AT 31 DECEMBER 2015 (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 31.12.2015 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
Geran 370208, Lot 122667, Mukim Tebrau, Daerah Johor Bahru, Johor (Date of acquisition: 21 August 2014)	Freehold Building (Assets held for investments)	1,870	552	Double storey shop office	4	3,740
Geran 370209, Lot 122668, Mukim Tebrau, Daerah Johor Bahru, Johor (Date of acquisition: 21 August 2014)	Freehold Building (Assets held for investments)	1,870	552	Double storey shop office	4	3,740
Geran 370210, Lot 122669, Mukim Tebrau, Daerah Johor Bahru, Johor (Date of acquisition: 21 August 2014)	Freehold Building (Assets held for investments)	1,870	552	Double storey shop office	4	3,740
Geran 370211, Lot 122670, Mukim Tebrau, Daerah Johor Bahru, Johor (Date of acquisition: 21 August 2014)	Freehold Building (Assets held for investments)	1,870	552	Double storey shop office	4	3,740
Geran 370212, Lot 122671, Mukim Tebrau, Daerah Johor Bahru, Johor (Date of acquisition: 14 July 2015)	Freehold Building (Assets held for investments)	1,870	552	Double storey shop office	4	3,740

Note:-

* means:
The properties were revalued on 30 December 2015. The valuations were carried out by Messrs. Nasir, Sabarudin & Associates, an independent qualified valuer registered with the Board of Valuers, Appraisers and Estate Agents Malaysia based on the Comparison Method of Valuation.

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

PROXY FORM

No. of shares held

I/We ....

of ....

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

....

and/or failing him/her ....

of ....

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Fifteenth Annual General Meeting of the Company, to be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Friday, 27 May 2016 at 10.00 a.m. and any adjournment thereof.

My/Our Proxy(ies) is/are to vote as indicated below:

No.	Resolution	For	Against
1.	To declare a final single tier dividend of 0.63 sen per ordinary share in respect of the financial year ended 31 December 2015.		
2.	To approve the payment of Directors' fees for the financial year ended 31 December 2015.		
	To re-elect the following Directors who are retiring by rotation, pursuant to Article 96 of the Articles of Association of the Company, and being eligible, offer themselves for re-election:-		
3.	Mr. Cheng Sim Meng		
4.	Ir. Koh Thong How		
5.	To re-appoint the following Director who is retiring pursuant to Section 129 of the Companies Act, 1965 and to hold office until the conclusion of the next Annual General Meeting:- Dr. Seow Pin Kwong		
6.	To re-appoint Messrs CAS & Associates as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
7.	**Ordinary Resolution 1** - To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
8.	**Ordinary Resolution 2** - To approve the continuing in office of Mr. Cheng Sim Meng as Independent Non-Executive Director.		
9.	**Ordinary Resolution 3** - To approve the continuing in office of Dr. Seow Pin Kwong as Independent Non-Executive Director.		

(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 2016

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

Notes :

1. *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 and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
3. *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.*
4. *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.*
5. *The instrument appointing a proxy must be deposited at the Registered Office at B-25-2, Block B, Jaya One, No. 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
BRITE-TECH BERHAD (550212-U)
B-25-2, Block B, Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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BRITE-TECH BERHAD
(550212-U)