BRITE-TECH BERHAD
(550212-U)

Brite-Tech Berhad

ANNUAL REPORT 2010

annual report 10

BRITE-TECH BERHAD
(550212-U)

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of **Brite-Tech Berhad** will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Thursday, 12 May 2011 at 9.30 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 2010 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note 1***

2. To declare a final single tier dividend of 0.48 sen per ordinary share in respect of the financial year ended 31 December 2010. ***(Resolution 1)***

3. To approve the payment of Directors' fees for the financial year ended 31 December 2010. ***(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. Tan Boon Kok ***(Resolution 3)***
   b) Mr. Ng Kok Ann ***(Resolution 4)***
   c) Mr. Cheng Sim Meng ***(Resolution 5)***

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 6)***

6. To re-appoint S. F. Yap & Co as auditors of the Company and to authorise the Directors to fix their remuneration. ***(Resolution 7)***

AS SPECIAL BUSINESS

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

   (a) Ordinary Resolution
   Authority pursuant to Section 132D of the Companies Act, 1965 for the Directors to issue shares ***(Resolution 8)***

   "**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)

(b) **Special Resolution** ***(Resolution 9)***
Proposed Amendment to the Articles of Association of the Company

"**THAT** existing Article 129 in the Articles of Association of the Company be deleted in its entirety and replaced with the following new Article :-

Any dividend payable in cash may be paid by cheque or warrant or banker's draft sent through the post to the last registered address or by telegraphic transfer or electronic transfer or remittance to the bank account of the member or other person entitled thereto, or in the case of joint holders to that one whose name stands first on the Register in respect of the joint holding or to such person and such address as the holder or joint holders or such person may direct or by directly crediting the dividend entitlement into the members' accounts as provided to the Central Depository from time to time. Every cheque or warrant or banker's draft or by telegraphic transfer or electronic transfer or remittance so sent shall be made payable to the order of the person to whom it is sent or to such persons as the member or other person entitled thereto or joint holders may direct, and the payment of any such cheque or warrant or banker's draft or by telegraphic transfer or electronic transfer or remittance shall operate as a good discharge to the Company in respect of the dividend represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that the endorsement thereon has been forged. Every such cheque or warrant or banker's draft or by telegraphic transfer or electronic transfer or remittance shall be sent at the risk of the person entitled to the money represented thereby. Where the members have provided to the Central Depository the relevant contact details for purposes of electronic notifications, the Company shall notify them electronically once the Company has paid the cash dividends out of its accounts."

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 0.48 sen per share in respect of the financial year ended 31 December 2010, if approved by the shareholders, will be paid on 8 June 2011 to shareholders whose names appear in the Register of Depositors at the close of business on 25 May 2011. A Depositor shall qualify for dividend entitlement only in respect of:-

a) Shares transferred into Depositor's Securities Account before 4.00 p.m. on 25 May 2011 in respect of ordinary transfers;

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

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

Kuala Lumpur
18 April 2011

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 a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

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

4. The instrument of appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

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

6. **Explanatory Note on Special Business – Ordinary Resolution 8**

   The Ordinary Resolution 8 under item 7(a) 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 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 Ninth Annual General Meeting held on 11 May 2010 and which will lapse at the conclusion of the Tenth 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.

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

   The Special Resolution under item 7(b), if passed, will facilitate the Company to pay cash dividend electronically by crediting the dividend into each shareholders' bank account in line with the implementation of eDividend by Bursa Malaysia Securities Berhad and to streamline the Company's Articles of Association to be in line with the ACE Market Listing Requirements.

Statement Accompanying Notice Of Annual General Meeting

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

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

- Mr. Tan Boon Kok *(Executive Director)*
- Mr. Ng Kok Ann *(Independent Non-Executive Director)*
- Mr. Cheng Sim Meng *(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 Tenth Annual General Meeting are set out in the Directors' Profile on pages 7 to 10 of the Annual Report and information on their shareholdings are listed on page 86 of the Annual Report.

b) Details of attendance of Directors at Board Meetings

Four (4) Board meetings were held during the financial year from 1 January 2010 to 31 December 2010. Details of attendance of Directors at the Board meetings are as follows:-

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

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

The Tenth Annual General Meeting of **Brite-Tech Berhad** will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Thursday, 12 May 2011 at 9.30 a.m.

Corporate Information

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

COMPANY SECRETARIES

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

REGISTERED OFFICE

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

AUDITORS

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

STOCK EXCHANGE LISTING

ACE Market of
Bursa Malaysia Securities Berhad

SHARE REGISTRAR

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

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad

Directors' Profile

PANG WEE SEE Executive Chairman

Pang Wee See, a Malaysian, aged 59, 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 2010.

TAN BOON KOK Executive Director

Tan Boon Kok, a Malaysian, aged 53, 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 2010.

CHAN AH KIEN Executive Director

Chan Ah Kien, a Malaysian, aged 48, 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 20 years. He had his education in Temerloh, Pahang and completed his Sijil Pelajaran Malaysia (SPM) in 1981. He built his experience since 1981 and rose through the ranks from technician, operations, marketing and to management level, involving in industrial wastewater treatment and scheduled waste disposal. He has accumulated more than 20 years experience in industrial wastewater treatment and over the years with 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 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 2010.

DIRECTORS' PROFILE (CONT'D)

KAN KING CHOY Executive Director

Kan King Choy, a Malaysian, aged 49, 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 20 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 2010. He is a member of the Nomination Committee and Remuneration Committee of the Company.

IR. KOH THONG HOW Non-Executive Director

Ir. Koh Thong How, a Malaysian, aged 56, 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 2010.

DIRECTORS' PROFILE (CONT'D)

DR. SEOW PIN KWONG Independent Non-Executive Director

Dr. Seow Pin Kwong, a Malaysian, aged 70, 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 2010. 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 58, 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 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.

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 2010. 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 37, 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. 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 2010. He is a member of the Audit 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 57, 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 2010.

FINANCIAL REVIEW

For the financial year ended 31 December 2010, the Group recorded a decrease in revenue to RM15.942 million as compared to RM17.486 million in the previous financial year while the Group's profit before tax decreased to RM1.844 million from RM1.908 million in the previous financial year. The decrease in the Group's revenue and profit before tax was attributed to the lower revenue from the Group's activities.

ECONOMIC AND INDUSTRY OUTLOOK

The Malaysian economy is projected to expand between 5.0% to 6.0% in 2011 (2010: 7.0%), mainly driven by domestic demand and supported by a favourable external sector. The strong economic fundamentals will continue to propel the growth momentum of domestic demand.

In 2011, value-added of the services sector is envisaged to expand 5.3% (2010: 6.5%) supported by steady domestic economic and trade-related activities. All sub-sectors are expected to register growth, led by the wholesale and retail trade, communication as well as finance and insurance sub-sectors.

Value-added of the manufacturing sector is expected to expand further by 6.7% (2010: 10.8%), in tandem with better economic conditions. The export-oriented industries are projected to grow at a steady pace, supported by strong intra-regional trade.

(Source: Economic Report 2010/2011; Ministry of Finance Malaysia)

CORPORATE DEVELOPMENTS

The Company had on 16 March 2010 announced that the Company through its wholly-owned subsidiary, Hooker Chemical Sdn. Bhd. had on 10 March 2010 entered into a joint venture arrangement with Bio-Aqua AS to undertake the business of wastewater and water-based waste tertiary treatment system for the treatment of wastewater or water-based waste produced or generated by palm oil mill industrial site using integrated processes, among others, ozone and fixed film biological reactor.

MIMB Investment Bank Berhad, on behalf of the Company, had on 14 July 2010 announced that the Ministry of International Trade and Industry had vide its letter dated 13 July 2010 confirmed that the Company is deemed to have complied with the Bumiputera Equity condition.

PROSPECTS

The Group expects the year ahead to remain challenging. Barring any unforeseen circumstances, the Board of Directors is of the opinion that the performance of the existing business of the Group is likely to remain satisfactory for the financial year ending 31 December 2011.

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 0.48 sen per share for the approval of shareholders at the forthcoming Annual General Meeting.

ACKNOWLEDGEMENT AND APPRECIATION

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

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

PANG WEE SEE
Executive Chairman
18 April 2010

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 best practices as outlined in the Malaysian Code on Corporate Governance 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.

1. THE BOARD

a) 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.

b) Composition of the Board

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

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

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

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

c) 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 2010.

Details of each Director's attendance at Board meetings are set out in the Statement Accompanying Notice of Annual General Meeting.

CORPORATE GOVERNANCE STATEMENT (CONT'D)

1. THE BOARD (CONT'D)

d) Supply of Information

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. The removal of the Company Secretary shall be a matter for the Board as a whole.

e) Retirement and Re-election of Directors

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

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

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.

f) 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.

During the financial year ended 31 December 2010, the seminars and training courses attended by the Directors are as follows:

Directors	Seminar/Training Course Attended
Pang Wee See	Financial Essentials for Non-Financial Professionals
Tan Boon Kok	Financial Essentials for Non-Financial Professionals
Chan Ah Kien	Financial Essentials for Non-Financial Professionals
Kan King Choy	Financial Essentials for Non-Financial Professionals
Ir. Koh Thong How	Financial Essentials for Non-Financial Professionals
Dr. Seow Pin Kwong	Financial Essentials for Non-Financial Professionals
Cheng Sim Meng	Financial Essentials for Non-Financial Professionals
Ng Kok Ann	National Tax Conference 2010
Yee Oii Pah @ Yee Ooi Wai	Financial Essentials for Non-Financial Professionals

2. DIRECTORS' REMUNERATION

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

Details of the aggregate remuneration of the Directors for the financial year ending 31 December 2010 are as follows:

	Executive Directors RM	Non-Executive Directors RM
Salary and other emoluments	748,800	–
Fees	276,000	24,000
Total	**1,024,800**	**24,000**

The number of directors whose aggregate remuneration during the financial year ending 31 December 2010 which falls within the following bands is as follows:

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

The Board is of the view that the above disclosure, without divulging respective individual Director's remuneration is sufficient so as to preserve a degree of privacy.

3. BOARD COMMITTEES

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

a) Audit Committee

The composition and the terms of reference of the Audit Committee are set out in the Audit Committee Report on Page 18 of this Annual Report.

b) Remuneration Committee

The present members of the Remuneration Committee are as follows:

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

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

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

CORPORATE GOVERNANCE STATEMENT (CONT'D)

3. BOARD COMMITTEES (CONT'D)

c) Nomination Committee

The present members of the Nomination Committee are as follows:

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

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

4. ACCOUNTABILITY AND AUDIT

a) Financial Reporting

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

b) Internal Control

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

The Group's overall internal controls system includes :-
- clearly established policies and procedures;
- regular review and update of policies and procedures to meet business needs;
- clearly defined job responsibilities and appropriate segregation of duties;
- regular internal audits to monitor compliance with policies, procedures, external regulations and assess integrity of financial information.

These are covered in more detail in the "Statement of Internal Controls" in Pages 21 to 23.

c) Relationship with the Auditors

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

5. RELATIONSHIP WITH SHAREHOLDERS

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

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

a) the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements, and information on Audit Committee and Board of Directors;

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

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

6. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

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

7. STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

In ensuring the preparation of these financial statements, the Directors have:-
- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that applicable approved accounting standards have been complied with.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and ensuring that the financial statements comply with the applicable Accounting Standards of Malaysia, the Companies Act 1965 and Bursa Securities Listing Requirements for ACE Market.

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.

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 2010. The details of their meetings are as follows:

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

The activities of the Audit Committee during the financial year ended 31 December 2010 include the following:

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

(ii) review the quarterly financial result announcements;

(iii) review audit plan of external auditors;

(iv) review related party transactions within the Group;

(v) review the scope of work and audit plan of the internal audit consultants for 2010 as well as review the internal audit reports issued, which covered amongst others, areas such as project management, quality assurance, purchasing, inventory management, human resource management, safety & health and investor relationship;

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

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

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

4. INTERNAL AUDIT FUNCTION

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

Statement On Internal Control

1. INTRODUCTION

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

2. BOARD RESPONSIBILITIES

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

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

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

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

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

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 guidelines for directors on internal control, the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

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

In this respect, internal audits are carried out in accordance with the audit plan approved by the 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.

STATEMENT ON INTERNAL CONTROL (CONT'D)

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

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

This policy framework has since identified and managed the significant risks affecting the Group as a whole taking into consideration both the internal and external factors. The 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 2010 amounted to RM36,000.

4. INTERNAL CONTROL PROCESSES

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

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

5. CONCLUSION

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

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

Other Compliance Information

1. **Utilisation of Proceeds**

   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**

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

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

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

8. **Variation of Results**

   There was no significant variance between the results for the financial year ended 31 December 2010 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 2010.

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 2010.

Financial Statements

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiary companies. The principal activities of the subsidiary companies are as set out in Note 4 in the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit after taxation for the financial year	1,017,998	1,512,944
Attributable to:		
Owners of the Company	1,069,002	1,512,944
Minority interest	(51,004)	–
	1,017,998	1,512,944

DIVIDENDS

A final single tier dividend of 0.48 sen per share amounting to RM 1,209,598 in respect of the financial year ended 31 December 2009 was paid on 8 June, 2010 to the shareholders whose name appear in the Register of Depositors at the close of business on 25 May, 2010.

The Directors proposed a final single tier dividend of 0.48 sen per share amounting to RM 1,209,600 in respect of the financial year ended 31 December 2010 subject to the approval of members at the forthcoming Annual General Meeting.

The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2011. The book closure and the payment dates for the dividend entitlement will be determined at a later date.

MOVEMENTS ON RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

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

DIRECTORS OF THE COMPANY

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

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

In accordance with Article 96 of the Company's Articles of Association, MR.TAN BOON KOK, MR.NG KOK ANN and MR.CHENG SIM MENG retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Dr. Seow Pin Kwong, being over the age of seventy years, retires pursuant to Section 129(2) of the Companies Act, 1965, be and seeks re-appointment as Director under the provision of section 129(6) of the said Act to hold office until the next Annual General Meeting.

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.10 each			
Shares in the Company Direct interest	**Balance At 1/1/2010**	**Bought**	**Sold**	**Balance At 31/12/2010**
PANG WEE SEE	113,152,861	–	–	113,152,861
TAN BOON KOK	24,821,963	–	–	24,821,963
CHAN AH KIEN	25,213,147	–	–	25,213,147
KAN KING CHOY	10,215,841	–	–	10,215,841
IR. KOH THONG HOW	487,200	–	–	487,200
DR. SEOW PIN KWONG	305,760	–	–	305,760
YEE OII PAH @ YEE OOI WAH *(Alternate director to Pang Wee See)*	487,200	–	–	487,200

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

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

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

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

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

a) any charge on the assets of the Group and of the Company, which has arisen since the end of the financial year which secures the liabilities of any other person, or
b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year ended 31 December 2010 were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD

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

OPTIONS

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

AUDITORS

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

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

PANG WEE SEE
Director

KAN KING CHOY
Director

Kuala Lumpur
Dated : 12 April 2011

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

The Directors of **BRITE-TECH BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements of the Group and of the Company are drawn up in accordance with Financial Reporting Standards (FRS) and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and of the results of their operations and cash flows of the Group and of the Company for the year ended on that date.

The Supplementary information set out in Note 37, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profit or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

PANG WEE SEE
Director

KAN KING CHOY
Director

Kuala Lumpur
Dated : 12 April 2011

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

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

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
in the State of Federal Territory on this)
12th day of April 2011)

CHIA CHEE YEE

Before me,

COMMISSIONER FOR OATHS

Independent Auditors' Report
to the Members of Brite-Tech berhad
(incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **BRITE-TECH BERHAD**, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 85.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as directors determines is necessary to enable the preparation of the financial statements that are free from material misstatements whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of their financial performance and cash flows for the year then ended.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

b) We have considered the financial statements and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as mentioned under note 4 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 37 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.

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

YAP SHIN SIANG
NO. 2439/01/12(J)
CHARTERED ACCOUNTANT

Kuala Lumpur,
Dated : 12 April 2011

Statements Of Financial Position
as at 31 December 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
ASSETS					
Non-current Assets					
PROPERTY, PLANT AND EQUIPMENT	2	11,410,846	11,016,141	26,775	37,108
INVESTMENT PROPERTIES	3	1,605,471	1,605,471	–	–
INVESTMENTS IN SUBSIDIARY COMPANIES	4	–	–	17,834,198	18,852,449
INVESTMENTS IN ASSOCIATED COMPANY	5	–	–	–	–
OTHER INVESTMENT	6	152,100	152,100	152,100	152,100
DEFERRED TAX ASSETS	7	6,575	8,738	–	–
GOODWILL ON CONSOLIDATION	8	3,868,052	4,568,052	–	–
Total non-current assets		17,043,044	17,350,502	18,013,073	19,041,657
Current Assets					
Inventories	9	1,624,562	2,211,571	–	–
Trade receivables	10	4,788,500	4,886,986	–	–
Other receivables, deposit and prepayments	11	916,656	539,610	2,620,183	1,311,083
Tax recoverable		90,762	225,737	16,002	17,366
Amount due from subsidiary companies	12	–	–	3,752,782	3,911,327
Amount due from related company		30,000	30,000	30,000	30,000
Short-term investments	13	5,581,283	4,149,056	1,776,100	1,123,562
Fixed deposits with licensed banks	28	3,045,975	3,866,543	635,782	973,662
Cash and bank balances	14 & 28	990,161	1,881,709	11,508	128,673
Total current assets		17,067,899	17,791,212	8,842,357	7,495,673
Total Assets		34,110,943	35,141,714	26,855,430	26,537,330
EQUITY AND LIABILITIES					
Capital, Reserves and Minority Interests					
SHARE CAPITAL	19	25,200,000	25,200,000	25,200,000	25,200,000
RESERVES	20	5,225,911	5,366,507	1,552,905	1,249,559
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		30,425,911	30,566,507	26,752,905	26,449,559
MINORITY INTEREST		592,393	643,397	–	–
Total equity		31,018,304	31,209,904	26,752,905	26,449,559

Statements Of Financial Position (Cont'd)

AS AT 31 DECEMBER 2010

		Group		Company	
	Note	2010 RM	2009 RM	2010 RM	2009 RM
Long Term and Deferred Liabilities					
Deferred tax liabilities	21	477,841	440,655	4,500	5,000
Borrowings	17	3,249	37,070	–	–
Total long term and deferred liabilities		481,090	477,725	4,500	5,000
Current Liabilities					
Trade payables	15	1,174,579	1,651,983	–	–
Other payables and accruals	16	892,090	901,777	98,025	80,763
Borrowings	17	156,862	585,852	–	–
Amount due to directors	18	264,482	141,660	–	2,008
Provision for taxation		123,536	172,813	–	–
Total current liabilities		2,611,549	3,454,085	98,025	82,771
Total Liabilities		3,092,639	3,931,810	102,525	87,771
Total Equity and Liabilities		34,110,943	35,141,714	26,855,430	26,537,330

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

Statements Of Comprehensive Income
for the year ended 31 December 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
REVENUE	22	15,942,108	17,485,617	3,823,996	3,844,896
Cost of sales		(7,407,716)	(8,985,089)	–	–
GROSS PROFIT		8,534,392	8,500,528	3,823,996	3,844,896
Interest income		224,544	169,095	65,279	41,096
Other operating income		181,055	342,433	–	–
Impairment loss on investment in subsidiary company		–	–	(1,018,251)	–
Administrative and other operating expenses		(7,064,345)	(7,036,380)	(1,354,205)	(1,566,522)
Finance costs		(31,713)	(67,763)	–	(23)
NET PROFIT BEFORE TAXATION	23	1,843,933	1,907,913	1,516,819	2,319,447
Tax expenses	25	(825,935)	(884,086)	(3,875)	(19,018)
NET PROFIT AFTER TAXATION FOR THE YEAR		1,017,998	1,023,827	1,512,944	2,300,429
OTHER COMPREHENSIVE INCOME		–	–	–	–
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		1,017,998	1,023,827	1,512,944	2,300,429
Attributable to:					
Owners of the Company		1,069,002	1,057,997	1,512,944	2,300,429
Minority interest		(51,004)	(34,170)	–	–
		1,017,998	1,023,827	1,512,944	2,300,429
EARNINGS PER ORDINARY SHARE (SEN)	26	0.42	0.42		

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

Statements Of Changes In Equity
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Issued and fully paid ordinary shares of RM0.10 each RM	Distributable unappropriated profits RM	Equity attributable to equity holders of the Company RM	Minority interest RM	Total equity RM
Group						
Balance as at 1 January 2009		25,200,000	5,360,606	30,560,606	740,567	31,301,173
Total comprehensive income for the year		–	1,057,997	1,057,997	(34,170)	1,023,827
Dividends - Final dividends for financial year ended 31 December 2008	32	–	(1,052,096)	(1,052,096)	–	(1,052,096)
Dividends paid to minority shareholders		–	–	–	(63,000)	(63,000)
Balance as at 31 December 2009		25,200,000	5,366,507	30,566,507	643,397	31,209,904
Total comprehensive income for the year		–	1,069,002	1,069,002	(51,004)	1,017,998
Dividends - Final dividends for financial year ended 31 December 2009	32	–	(1,209,598)	(1,209,598)	–	(1,209,598)
Balance as at 31 December 2010		25,200,000	5,225,911	30,425,911	592,393	31,018,304

Statements Of Changes In Equity (Cont'd)

for the year ended 31 December 2010

	Note	Issued and fully paid ordinary shares of RM0.10 each RM	Distributable unappropriated profits RM	Total RM
Company				
Balance as at 1 January 2009		25,200,000	1,226	25,201,226
Total comprehensive income for the year		–	2,300,429	2,300,429
Dividends - Final dividends for financial year ended 31 December 2008	32	–	(1,052,096)	(1,052,096)
Balance as at 31 December 2009		25,200,000	1,249,559	26,449,559
Total comprehensive income for the year		–	1,512,944	1,512,944
Dividends - Final dividends for financial year ended 31 December 2009	32	–	(1,209,598)	(1,209,598)
Balance as at 31 December 2010		25,200,000	1,552,905	26,752,905

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

Statements Of Cash Flows
for the year ended 31 December 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit before taxation		1,843,933	1,907,913	1,516,819	2,319,447
Adjustments for:					
Loss/(Gain) on disposal of property, plant and equipment		214	(2,625)	–	–
Depreciation on property, plant and equipment		820,481	843,714	10,333	10,333
Property, plant and equipment written off		31,576	21,592	–	–
Interest income		(224,544)	(169,095)	(65,279)	(41,096)
Interest expenses		31,713	67,763	–	23
Bad debts written off		10,535	128,449	–	–
Allowance for doubtful debts		29,564	127,662	–	–
(Gain)/loss on disposal of joint venture entity		–	(199,170)	–	150,000
Impairment of goodwill		705,227	650,000	–	–
Gain on disposal of other investments		(24,398)	–	–	–
Share of loss of joint venture entity		–	18,866	–	–
Recovery from write down of inventories		–	(24,828)	–	–
Dividend income		–	–	(2,617,996)	(2,508,896)
Unrealised loss on foreign exchange		–	5	–	–
Write-down of inventories		148,019	8,553	–	–
Impairment loss on investment		–	–	1,018,251	–
Operating profit/(loss) before changes in working capital		3,372,320	3,378,799	(137,872)	(70,189)
Changes in working capital					
Inventories		438,990	318,396	–	–
Trade and other receivables		(326,541)	645,157	1,467,441	940,447
Trade and other payables		(364,269)	82,122	15,254	(238,533)
Cash generated from operations		3,120,500	4,424,474	1,344,823	631,725
Interest paid		(31,713)	(67,763)	–	(23)
Income tax refund		98,322	196,719	–	–
Income tax paid		(799,209)	(791,131)	(3,011)	(26,438)
Net cash flow generated from operating activities		2,387,900	3,762,299	1,341,812	605,264

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceed from disposal of joint venture entity, net of cash disposed		–	195,463	–	200,000
Interest received		224,544	169,095	65,279	41,096
Purchase of property, plant and equipment	27	(1,247,376)	(300,279)	–	–
Proceeds from disposal of property, plant and equipment		–	64,532	–	–
Proceeds from disposal of other investment		24,398	–	–	–
Dividend received		–	–	–	1,170,000
Acquisition of subsidiary, net of cash acquired	34	3,055	–	–	–
Net cash flow (used in)/generated from investing activities		(995,379)	128,811	65,279	1,411,096
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(436,481)	(44,543)	–	–
Dividend paid to minority shareholders		–	(63,000)	–	–
Dividend paid to shareholders of the Company		(1,209,598)	(1,052,096)	(1,209,598)	(1,052,096)
Net cash flow used in financing activities		(1,646,079)	(1,159,639)	(1,209,598)	(1,052,096)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(253,558)	2,731,471	197,493	964,264
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		9,747,936	7,016,465	2,225,897	1,261,633
CASH AND CASH EQUIVALENTS AT END OF YEAR	28	9,494,378	9,747,936	2,423,390	2,225,897

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

Summary Of Significant Accounting Policies
for the year ended 31 December 2010

A. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

The preparation of the financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note Y to the financial statements. Although these estimates and assumptions are based on Directors' best knowledge of events and actions, actual results could differ from those estimates.

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

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs (Revised)
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRSs issued in 2010
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13 Customer Loyalty Programmes
- IC Interpretation 14 FRS119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

FRS 4 *Insurance Contracts* and TR *i-3 Presentation of Financial Statements of Islamic Financial Institutions* will also be effective for annual periods beginning on or after 1 January 2010. These FRS are, however, not applicable to the Group and the Company.

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

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

(a) FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

(b) FRS 8 Operating Segments

FRS 8 which replaces FRS 114_{2004}, Segment Reporting, specifies how an entity should report information about its operating segments. The Standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision in order to allocate resources to the segments and assess their performances. The Standard also requires the disclosures based on available information, about the revenues derived by the entity from products and services provided, the countries in which the entity earns its revenues and hold assets and about major customers. FRS 8 has been adopted retrospectively by the Group. The operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114_{2004}.

(c) FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company has elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

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

(d) Amendments to FRS 117 Leases

Prior to 1 January 2010, for all leases of land, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land elements in proportion to the relative fair values for leasehold interests in the land element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 Leases clarify that leases of land are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The effects to the consolidated statement of financial positions as at 31 December 2010 arising from the above change is set out in Note 36 to the financial statement.

(e) FRS 139, Financial Instruments : Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell nonfinancial items. Hedge accounting is permitted only under strict circumstances. The Group has adopted FRS 139 prospectively beginning from 1 January 2010 in accordance with transitional provisions of the Standard. The effects on the adoption of FRS 139 have been accounted for by adjusting the opening retained profits as at 1 January 2010. Comparatives are not restated.

The adoption of FRS 139 has resulted in changes to accounting policies relating to recognition and measurement of the Group's financial instruments as described below :-

(i) Investments in non-current equity instruments

Prior to 1 January 2010, non-current investments in equity other than investments in subsidiaries and associate were stated at cost less allowance for diminution in value which was other than temporary in nature.

With the adoption of FRS 139, such investments are now categorised as available-for-sale financial assets and measured at fair value through profit or loss for quoted shares and at cost for unquoted shares due to their fair value cannot be reliably measured. No adjustment has been made to the opening balance of retained earnings as at that date.

(ii) Impairment of trade receivables

Prior to 1 January 2010, provision for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS139 and no adjustment is required to be made to the opening balance of retained earnings as at that date.

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

Standards and Interpretations in issue but not yet effective

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

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 March 2010

Amendments to FRS 132	Financial Instruments: Presentation

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

FRS 1	First Time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statement (revised)
Amendments to FRS 2	Share-based payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
IC Interpretation 12	Service Concession Agreements
IC Interpretation 16	FRS 2 - Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non- Cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRS 138	Intangible Assets

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

Amendments to FRS 1	First Time Adoption of Financial Reporting Standards - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters - Additional Exemption for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 2	Group Cash-settled share based Payment Transactions
IC Interpretation 4	Determining whether and Arrangement contains a lease
IC Interpretation 18	Transfers of Assets from Customers
Improvement to FRSs (2010)	

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

Amendments to,	
IC Interpretations 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19,	Extinguishing Financial Liabilities with Equity Instruments

FRSs, Interpretation and amendments effective for annual periods beginning on or after 1 January 2012

FRS 124	Related Party Disclosures (revised)
IC Interpretation 15	Agreements for the Construction of Real Estate

The Company plan to adopt the abovementioned standards, amendments and interpretations which are relevant to the Company's operation when they become effective.

The Directors of the Company anticipate that the application of the above standards, amendments or interpretations will not have any significant financial impact to the financial statements upon their first adoption.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2010

C. BASIS OF CONSOLIDATION

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

The subsidiary companies are consolidated using the purchase method. Under the purchase method of accounting, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date on which control is transferred to the Group and are de-consolidated from the date control ceases.

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

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

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

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

D. PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

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

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

At each end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note G on impairment of assets.

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

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

E. INVESTMENT PROPERTIES

Investment properties comprising principally land and buildings are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment properties are stated at fair value, representing open-market value determined annually by external valuers or assessed by directors. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group will use alternative valuation method such as recent prices on less active markets or discounted cash flow projections. These valuations are reviewed annually by external valuers or as assessed by directors. Changes in fair values are recorded in the statements of comprehensive income as part of other income or other expenses.

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

F. INVESTMENTS

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

(i) Subsidiary companies

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

F. INVESTMENTS (CONT'D)

(ii) Associated companies

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

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

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

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

(iii) Joint controlled entities

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

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

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

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

(iv) Other investment

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

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

G. IMPAIRMENT OF ASSETS

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

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

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

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

H. INVENTORIES

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

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

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

Summary Of Significant Accounting Policies (Cont'd)

for the year ended 31 December 2010

I. CASH AND CASH EQUIVALENTS

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

Bank overdraft are included within borrowings in current liabilities on the statements of financial position.

J. AMOUNT DUE FROM CONTRACT CUSTOMERS

Revenue from and expenses of contracts that are of longer duration are recognised by reference to the stage of completion of the contract activity. Contract costs consist of costs that relate directly to the specific project, costs that are attributable to contract activity in general and can be allocated to the project and such other costs are specifically chargeable to the customer under the terms of the contract. Allowances for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

K. LEASE PAYMENT

i) Finance lease

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

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

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

K. LEASE PAYMENT (CONT'D)

ii) Operating lease

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

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

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments, except for leasehold land classified as investment property.

The Group has adopted the amendment made to FRS 117, Leases in 2010 in relation to the classification of lease of land. Leasehold land which in substance is a finance lease has been reclassified and measured as such retrospectively.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

L. INCOME TAXES

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

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

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

M. GOODWILL ON CONSOLIDATION

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

Summary Of Significant Accounting Policies (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2010

N. REVENUE RECOGNITION

(i) Trading income

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

(ii) Contract income

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

(iii) Dividend income

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

(iv) Interest income

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

(v) Management fee

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

(vi) Rental income

Rental income is recognised on an accrual basis.

O. DIVIDENDS

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

P. FOREIGN CURRENCIES

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

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

	2010	2009
USD 1.00	RM3.06	RM3.42
SGD 1.00	RM2.38	RM2.44

Q. FINANCIAL INSTRUMENTS

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

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

R. SEGMENT REPORTING

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

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

S. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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

T. PAYABLES

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

U. EMPLOYEE BENEFITS

(i) Short term employee benefits

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

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

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

(ii) Defined contribution plans

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

V. BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period they are incurred. Borowwing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

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

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

X. SHARE CAPITAL

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from equity.

Interim dividends are recognised as liabilities when declared before the end of the reporting period. Final dividends are accounted for when it had been approved by the Company's shareholders.

Y. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

(a) Critical judgment made in applying accounting policy

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

(b) Key sources of estimation uncertainty

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

(i) Impairment on goodwill

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

Determining whether goodwill is impaired requires and estimation of the value-in-use of the Cash Generating Units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Further details of the estimates used are disclosed in Note 8.

(ii) Estimation of income taxes

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

(iii) Depreciation of property, plant and equipment

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

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

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

(iv) Deferred tax assets

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

Summary Of Significant Accounting Policies (Cont'd)

for the year ended 31 December 2010

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

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

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

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

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

Z. PROVISION

Provision are recognised when the Group has a present legal or constructive obligation as a result of past events; when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expenses.

Provision for onerous contracts arise from firm sales contracts in excess of inventory quantities held, where the contracted selling price is lower than the cost of inventories.

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services to subsidiary companies. The principal activities of the subsidiary companies are described in Note 4 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

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

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

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

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

2. PROPERTY, PLANT AND EQUIPMENT

i) Group
2010

	Freehold land and buildings	Freehold land and buildings (At Valuation)	Leasehold land (At Valuation)	Motor vehicles	Furniture and fittings, laboratory, office, store equipment and signboard	Demo equipment, R and D equipment and machinery	Electrical fittings	Renovation	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost/Valuation									
Balance as at 1 January 2010	579,976	5,297,573	–	3,073,895	5,110,244	288,896	90,775	629,863	15,071,222
Effect of adopting FRS 117	–	–	3,026,505	–	–	–	–	–	3,026,505
As restated at 1 January 2010	579,976	5,297,573	3,026,505	3,073,895	5,110,244	288,896	90,775	629,863	18,097,727
Additions	–	–	–	7,582	1,147,200	–	76,350	16,244	1,247,376
Disposals	–	–	–	–	(11,936)	–	–	–	(11,936)
Written off	–	–	–	–	(133,385)	–	(4,055)	(25,878)	(163,318)
Balance as at 31 December 2010	579,976	5,297,573	3,026,505	3,081,477	6,112,122	288,896	163,070	620,229	19,169,849
Accumulated Depreciation									
Balance as at 1 January 2010	69,600	348,906	–	2,315,781	3,321,465	214,788	57,366	432,742	6,760,648
Effect of adopting FRS 117	–	–	320,938	–	–	–	–	–	320,938
As restated at 1 January 2010	69,600	348,906	320,938	2,315,781	3,321,465	214,788	57,366	432,742	7,081,586
Charges for the financial year	11,600	40,068	44,587	249,603	398,774	30,322	3,098	42,429	820,481
Disposals	–	–	–	–	(11,322)	–	–	–	(11,322)
Written off	–	–	–	–	(101,810)	–	(4,055)	(25,878)	(131,742)
Balance as at 31 December 2010	81,200	388,974	365,525	2,565,384	3,607,108	245,110	56,409	449,293	7,759,003
Net Carrying Amount									
As at 31 December 2010	498,776	4,908,599	2,660,980	516,093	2,505,015	43,786	106,661	170,936	11,410,846
As restated at 31 December 2009	510,376	4,948,667	2,705,567	758,114	1,788,779	74,108	33,409	197,121	11,016,141
Depreciation For Year Ended									
As restated at 31 December 2009	36,368	15,300	44,587	260,030	406,173	30,452	4,651	46,153	843,714

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

i) Group 2009

	Freehold land and buildings RM	Freehold land and buildings (At Valuation) RM	Leasehold land (At Valuation) RM	Motor vehicles RM	Furniture and fittings, laboratory, office, store equipment and signboard RM	Demo equipment, R and D equipment and machinery RM	Plant in progress RM	Electrical fittings RM	Renovation RM	Total RM
Cost/Valuation										
Balance as previously reported at 1 January 2009	579,976	5,297,573	–	3,138,375	5,389,183	288,896	199,491	89,580	577,852	15,560,926
Effect of adopting FRS 117	–	–	3,026,505	–	–	–	–	–	–	3,026,505
As restated at 1 January 2009	579,976	5,297,573	3,026,505	3,138,375	5,389,183	288,896	199,491	89,580	577,852	18,587,431
Additions	–	–	–	52,132	194,941	–	–	1,195	52,011	300,279
Disposals	–	–	–	(116,612)	–	–	–	–	–	(116,612)
Disposal of joint venture entity	–	–	–	–	–	–	(199,491)	–	–	(199,491)
Written off	–	–	–	–	(473,880)	–	–	–	–	(473,880)
Balance as restated at 31 December 2009	579,976	5,297,573	3,026,505	3,073,895	5,110,244	288,896	–	90,775	629,863	18,097,727
Accumulated Depreciation										
Balance as previously reported at 1 January 2009	58,000	308,838	–	2,110,456	3,367,580	184,336	–	52,715	386,589	6,468,514
Effect of adopting FRS 117	–	–	276,351	–	–	–	–	–	–	276,351
As restated at 1 January 2009	58,000	308,838	276,351	2,110,456	3,367,580	184,336	–	52,715	386,589	6,744,865
Charges for the financial year	11,600	40,068	44,587	260,030	406,173	30,452	–	4,651	46,153	843,714
Disposals	–	–	–	(54,705)	–	–	–	–	–	(54,705)
Written off	–	–	–	–	(452,288)	–	–	–	–	(452,288)
Balance as restated at 31 December 2009	69,600	348,906	320,938	2,315,781	3,321,465	214,788	–	57,366	432,742	7,081,586
Net Carrying Amount										
As restated at 31 December 2009	510,376	4,948,667	2,705,567	758,114	1,788,779	74,108	–	33,409	197,121	11,016,141
As restated at 31 December 2008	521,976	4,988,735	2,750,154	1,027,919	2,021,603	104,560	199,491	36,865	191,263	11,842,566
Depreciation For Year Ended										
As restated at 31 December 2008	11,600	40,068	44,587	271,348	376,054	37,968	–	5,587	49,758	836,970

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

ii) Company
2010

	Renovation RM	Furniture and fittings, laboratory, office and store equipment RM	Total RM
Cost			
Balance as at 1 January 2010	64,382	38,954	103,336
Additions	–	–	–
Balance as at 31 December 2010	64,382	38,954	103,336
Accumulated Depreciation			
Balance as at 1 January 2010	43,599	22,629	66,228
Charges for the financial year	6,437	3,896	10,333
Balance as at 31 December 2010	50,036	26,525	76,561
Net Carrying Amount			
At 31 December 2010	14,346	12,429	26,775
At 31 December 2009	20,783	16,325	37,108
Depreciation For Year Ended			
31 December 2009	6,437	3,896	10,333

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

ii) Company
2009

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

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

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

The fair value of the land and buildings as the end of the financial year were determined by the directors based on internal valuation which reasonably reflects market conditions of similar properties as the end of the reporting date.

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

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

The Group	Cost RM	Accumulated depreciation RM	Net Carrying Amount RM
2010			
Freehold land and buildings	3,655,527	361,827	3,293,700
2009			
Freehold land and buildings	3,655,527	353,208	3,302,319

Details of assets under finance lease agreements:

	Group 2010 RM	Group 2009 RM
Motor vehicles		
- net book value at year end	45,901	53,551

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

	2010 RM	2009 RM
Freehold land and buildings	396,090	406,090

3. INVESTMENT PROPERTIES

	Group 2010 RM	Group 2009 RM
At valuation		
Freehold land and buildings	1,605,471	1,605,471

Investment properties with carrying amounts of RM 420,696 (2009: RM 420,696) have been charged to a financial institution for credit facilities granted to the Group.

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

The fair value of the land and buildings as at the end of the financial year were determined by the directors based on internal valuation which reasonably reflects market conditions of similar properties as the end of the financial period.

4. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company 2010 RM	Company 2009 RM
Unquoted shares - at cost	18,852,449	18,852,449
Less : impairment losses	(1,018,251)	–
	17,834,198	18,852,449

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

Name of Company	Principal activities	Effective interest 2010	Effective interest 2009
Brite-Tech Corporation Sdn. Bhd.	To provide a complete range of services and products in the field of water treatment, pollution control and fuel treatment as well as engineered and formulated chemical products for water clarification, wastewater treatment, minimizing wastewater sludge generation, steam generation system and cooling water system.	100%	100%
Hooker Chemical Sdn. Bhd.	To provide consultation, environmental impact studies, engineering design, construction, installation and commissioning of water purification, recycling and wastewater treatment systems.	100%	100%
Rank Chemical Sdn. Bhd.	To provide rental of portable ion-exchange resin columns and supply of institutional housekeeping chemicals, industrial maintenance chemicals and hotel amenities.	100%	100%
Spectrum Laboratories Sdn. Bhd.	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.	100%	100%

4. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Principal activities	Effective interest 2010	Effective interest 2009
Spectrum Laboratories (Penang) Sdn. Bhd. (The Company holds 70.24% direct interest in Spectrum Laboratories (Penang) Sdn. Bhd., the remaining 29.76% is held indirectly through subsidiary Spectrum Laboratories Sdn. Bhd.)	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.	100%	100%
Spectrum Laboratories (Johore) Sdn. Bhd. (The Company holds 70.64% direct interest in Spectrum Laboratories (Johore) Sdn. Bhd., 14.68% is held indirectly through Brite-Tech Corporation Sdn. Bhd. and the remaining 14.68% is held indirectly through Hooker Chemical Sdn. Bhd.)	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.	100%	100%
Brite-Tech (Sabah) Sdn. Bhd.	The principal activities of the Company are provide integrated services in water and wastewater treatment, supply of water treatment related chemicals, treatment systems and equipment, supply of industrial and institutional chemicals, analytical laboratory and environmental monitoring services and other related business. The Company has ceased its operation.	89%	89%
Renown Orient Sdn. Bhd.	To provide general trading, investment holdings, water treatment services and other related business. The Company has not commenced business operation since its incorporation date.	100%	100%
* Sincere United Sdn. Bhd.	To import and export chemical and other raw materials.	70%	70%
* Tan-Tech Polymer Sdn. Bhd.	To provide consultancy services and manufacturing of polymers and its related products.	60%	60%

4. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	Principal activities	Effective interest 2010	Effective interest 2009
Subsidiary company of Brite-Tech Corporation Sdn. Bhd.			
Cybond Chemical Sdn. Bhd.	To provide water treatment chemicals and provide other related services.	100%	100%
Subsidiary company of Hooker Chemical Sdn. Bhd.			
Akva - Tek Sdn. Bhd.	The principal activity of the company is that to deal in chemical, laboratory and industrial product.	51%	Nil

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

5. INVESTMENT IN ASSOCIATED COMPANY

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

Name of Company	Principal activities	Effective interest 2010	Effective interest 2009
Hooker Chemical (Johore) Sdn. Bhd.	Dealing with water and wastewater treatment system. It has ceased business on 1 June 2001.	19%	19%

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

6. OTHER INVESTMENT

	Group and Company 2010 RM	Group and Company 2009 RM
Unquoted shares; at cost	152,100	152,100

7. DEFERRED TAX ASSETS

	Group	
	2010 RM	2009 RM
At beginning of financial year	8,738	–
Recognised in the statement of comprehensive income	(2,163)	8,738
At end of financial year	6,575	8,738

The deferred tax assets are made up of the following:

	Group	
	2010 RM	2009 RM
Property, plant and equipment		
The tax effect of the excess of tax base value over property, plant and equipment's carrying value	6,575	8,738
	6,575	8,738

8. INTANGIBLE ASSET - GOODWILL ON CONSOLIDATION

(a)

	Group	
	2010 RM	2009 RM
Net book value		
At beginning of the year	4,568,052	5,218,052
Additional for the year	5,227	–
Impairment loss for the year	(705,227)	(650,000)
Net carrying amount as at end of the year	3,868,052	4,568,052

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

	Group	
	2010 RM	2009 RM
Manufacturing - CGU 1	2,170,144	2,170,144
Trading - CGU 2	1,697,908	2,397,908
	3,868,052	4,568,052

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

Impairment test on CGU 1 and CGU 2

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

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

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

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

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

9. INVENTORIES

	Group	
	2010 RM	2009 RM
At cost / net realisable value		
Laboratory supplies	139,647	82,405
Raw materials	938,876	1,060,615
Finished goods	533,856	1,056,398
Work-in-progress	12,183	12,153
	1,624,562	2,211,571

During the financial year, the Group had written-down RM 148,019 of inventories which is recognised as expense in the statement of comprehensive income.

10. TRADE RECEIVABLES

	Group	
	2010 RM	2009 RM
Trade receivables	4,979,456	5,258,041
Less: Allowance for doubtful debts	(190,956)	(371,055)
	4,788,500	4,886,986

The Group's normal trade credit term range from 60 to 90 days (2009 : 60 to 90 days.). Other credit terms are assessed and approved on a case by case basis.

10. TRADE RECEIVABLES (CONT'D)

Ageing analysis on trade receivables

The ageing analysis of the Company's trade receivables are as follows:

	Group 2010 RM	Group 2009 RM
Neither past due not impaired		
Past due 1 - 30 days	1,363,248	1,403,678
Past due 31 - 60 days	1,101,438	1,178,851
Past due 61 - 90 days	710,588	837,512
Past due more than 90 days	1,804,182	1,838,000
	4,979,456	5,258,041
Allowance for doubtful debts	(190,956)	(371,055)
	4,788,500	4,886,986

Movement in the allowance for doubtful debts :

The allowance account in respect of the trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The movement in the allowance for doubtful debts of trade receivables during the year were as follows :

	Group 2010 RM	Group 2009 RM
At 1 January	371,055	243,393
Allowance recognised	29,564	127,662
Allowance written off	(209,663)	–
At 31 December	190,956	371,055

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.

Receivables that are past due but not impaired

As at 31 December 2010, the Group has trade receivables amounting to RM1,804,182 (2009: RM1,838,000) 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 good track records 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.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Other receivables	708,844	405,124	–	–
Deposits	193,054	84,192	2,000	3,500
Prepayments	14,758	50,294	187	187
Dividend receivable from subsidiary companies	–	–	2,617,996	1,307,396
	916,656	539,610	2,620,183	1,311,083

12. AMOUNT DUE FROM SUBSIDIARY COMPANIES

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

13. SHORT-TERM INVESTMENT

Short-term investments are as follows :

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At cost	5,581,283	4,149,056	1,776,100	1,123,562

Short-term investments represent deposit placement with investment fund management companies. The weighted average effective interest rates of the short-term investments range from 2.60% to 2.95% (2009: 2.02% to 2.56%) per annum and are readily convertible to cash with insignificant risk of changes in value.

14. CASH AND BANK BALANCES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash in hand	46,617	36,185	4,392	3,956
Cash at bank	943,544	1,845,524	7,116	124,717
	990,161	1,881,709	11,508	128,673

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2010

15. TRADE PAYABLES

	Group	
	2010 RM	2009 RM
Trade payables	1,174,579	1,651,983

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

16. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Other payables	311,475	148,702	–	–
Accruals	454,150	751,135	98,025	80,763
Deposits received	126,465	1,940	–	–
	892,090	901,777	98,025	80,763

17. BORROWINGS

	Group	
	2010 RM	2009 RM
Current liabilities		
Secured		
Bank overdraft	123,041	149,372
Bills payable	–	389,321
Finance lease liabilities	33,821	47,159
	156,862	585,852
Long term liabilities		
Secured		
Finance lease liabilities	3,249	37,070

17. BORROWINGS (CONT'D)

	Group 2010 RM	Group 2009 RM
Total borrowings		
Bank overdraft	123,041	149,372
Bills payable	–	389,321
Finance lease liabilities	37,070	84,229
	160,111	622,922

	Group 2010 %	Group 2009 %
Interest rates on the above are as follows:		
Bank overdraft	8.07	7.05
Bills payable	–	7.05
Finance lease liabilities	2.78-3.00	2.78-7.3

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

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

FINANCE LEASE LIABILITIES

	Group 2010 RM	Group 2009 RM
Minimum lease payment		
- not later than one year	34,732	50,520
- later than one year and not later than five years	3,278	38,010
	38,010	88,530
Less: Future interest charges	(940)	(4,301)
Present value of finance lease liabilities	37,070	84,229
Current liabilities		
- not later than one year	33,821	47,159
Long term liabilities		
- later than one year and not later than five years	3,249	37,070
	37,070	84,229

There is no finance lease liabilities later than five years.

18. AMOUNT DUE TO DIRECTORS

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

19. SHARE CAPITAL

	Group and Company 2010 RM	2009 RM
Authorised capital 500,000,000 ordinary shares of RM0.10 each	50,000,000	50,000,000
Issued & fully paid 252,000,000 ordinary shares of RM0.10 each	25,200,000	25,200,000

20. RESERVES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Distributable:				
Unappropriated profit	5,225,911	5,366,507	1,552,905	1,249,559
	5,225,911	5,366,507	1,552,905	1,249,559

21. DEFERRED TAX LIABILITIES

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At beginning of financial year	440,655	447,243	5,000	5,000
Recognised in the statement of comprehensive income	37,186	(6,588)	(500)	–
At end of financial year	477,841	440,655	4,500	5,000

The deferred tax liabilities are made up of the following:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Property, plant and equipment				
The tax effect of the excess of property, plant and equipment's carrying value over its tax base	477,841	440,655	4,500	5,000
	477,841	440,655	4,500	5,000

22. REVENUE

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Management fee from subsidiaries	–	–	1,206,000	1,336,000
Dividend received and receivable	–	–	2,617,996	2,508,896
Contract fees	–	506,465	–	–
Trading sales and services	15,942,108	16,979,152	–	–
	15,942,108	17,485,617	3,823,996	3,844,896

23. PROFIT BEFORE TAXATION

i) Profit before taxation is arrived at -

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
After charging:-				
Allowance for doubtful debts	29,564	127,662	–	–
Auditors' remuneration	57,615	44,584	12,500	8,475
Bad debts written off	10,535	128,449	–	–
Depreciation on property, plant and equipment	820,481	843,714	10,333	10,333
Directors' remuneration:				
- Salaries	1,088,220	1,105,196	748,800	838,656
- Fees	300,000	304,500	300,000	304,500
Impairment of goodwill	705,227	650,000	–	–
Impairment loss on investment	–	–	1,018,251	–
Interest expenses:				
- Finance lease interest	1,633	2,909	–	–
- Bank overdraft interest	10,724	8,949	–	23
- LC charges & TR interest	11,387	55,905	–	–
- Other interest	7,969	–	–	–
Loss on disposal of joint venture entity	–	–	–	150,000
Loss on disposal of property, plant and equipment	214	–	–	–
Property, plant and equipment written off	31,576	21,592	–	–
Realised loss on foreign exchange	9,661	783	–	–
Rental of equipment	2,428	13,431	–	–
Rental of premises	49,300	39,650	–	–
Rental of motor vehicle	1,080	–	–	–
Research and development expenditure	–	72	–	–
Share of loss for joint venture entity	–	18,866	–	–
Unrealised loss on foreign exchange	–	5	–	–
Write-down of inventories	148,019	8,553	–	–

23. PROFIT BEFORE TAXATION

i)

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
And crediting:-				
Gross dividend from unqouted subsidiary companies	–	–	2,617,996	2,508,896
Gain on disposal of other investment	24,398	–	–	–
Gain on disposal of joint venture entity	–	199,170	–	–
Gain on disposal of property, plant and equipment	–	2,625	–	–
Interest income	224,544	169,095	65,279	41,096
Management fee	–	–	1,206,000	1,336,000
Rental income	113,520	94,220	–	–
Realised gain on foreign exchange	21,379	2,319	–	–
Recovery from write down of inventories	–	24,828	–	–

ii) **STAFF COSTS**

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Employees' provident fund	441,219	402,591	93,172	96,083
Salaries, bonuses and allowances	4,278,533	3,953,067	1,076,196	1,104,895
Socso	39,257	35,240	2,683	2,969

24. DIRECTORS' REMUNERATION

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Non-executive Directors:				
- fees	24,000	28,500	24,000	28,500
Executive Directors:				
- salaries	1,088,220	1,105,196	748,800	838,656
- fees	276,000	276,000	276,000	276,000
	1,388,220	1,409,696	1,048,800	1,143,156

The estimated monetary value of benefits-in-kind received by the Directors of the Group and Company are RM45,200 (2009 : RM 45,200) respectively.

25. TAX EXPENSES

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Current tax based on profit for the financial year:				
Malaysian income tax	790,807	890,516	–	34,000
Deferred tax	39,349	(15,326)	(500)	–
(Over)/under provision of taxation in prior years	(4,221)	8,896	4,375	(14,982)
	825,935	884,086	3,875	19,018

Income tax expense for the Company is calculated based on the statutory income tax rate of Malaysia at 25% (2009: 25%) of the estimated taxable profit for the financial year.

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

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Profit before taxation ("PBT")	1,843,933	1,907,913	1,516,819	2,319,447
Tax expense	825,935	884,086	3,875	19,018

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Income tax using Malaysian tax rate of 25% (2009:25%)	460,983	476,978	379,205	579,862
(Over)/under provision of income tax in prior year	(4,221)	8,896	4,375	(14,982)
Non-deductible expenses	274,560	370,512	16,759	54,907
Deferred tax assets not recognised during the year	104,881	69,974	(500)	–
Income not subject to tax	(10,268)	(42,274)	(395,964)	(600,769)
Tax expenses	825,935	884,086	3,875	19,018

26. EARNINGS PER ORDINARY SHARES

Basic earnings per ordinary share :

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Net profit attributable to ordinary shareholders	1,069,002	1,057,997	1,512,944	2,300,429
Issued ordinary shares	252,000,000	252,000,000	252,000,000	252,000,000
Basic earnings per share (sen)	0.42	0.42		

27. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash payments on purchase of property, plant and equipment	1,247,376	300,279	–	–

28. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash and bank balances (Note 14)	990,161	1,881,709	11,508	128,673
Fixed deposits with licensed banks	3,045,975	3,866,543	635,782	973,662
Short-tern investments	5,581,283	4,149,056	1,776,100	1,123,562
	9,617,419	9,897,308	2,423,390	2,225,897
Bank overdraft (Note 17)	(123,041)	(149,372)	–	–
	9,494,378	9,747,936	2,423,390	2,225,897

29. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure. No geographical segmental information is presented as the business segments are principally operated in Malaysia only.

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

The Group comprises the following main business segments:

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

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

2010
Group

Primary reporting - Business segments

	Environmental products and services RM	System equipment and ancillary products RM	Investments RM	Eliminations RM	Group RM
REVENUE					
External revenue	12,799,442	3,142,666	–	–	15,942,108
Inter-segment revenue	1,011,261	12,600	1,206,000	(2,229,861)	–
Total revenue	13,810,703	3,155,266	1,206,000	(2,229,861)	15,942,108

29. SEGMENT INFORMATION (CONT'D)

	Environmental products and services RM	System equipment and ancillary products RM	Investments RM	Eliminations RM	Group RM
RESULT					
Segment results (external)	2,521,861	55,027	(914,311)	–	1,662,577
Interest income	141,249	16,609	65,279	(10,935)	212,202
Finance costs	(41,596)	(185)	–	10,935	(30,846)
Profit before taxation	2,621,514	71,451	(849,032)	–	1,843,933
Taxation					(825,935)
Profit after taxation					1,017,998
Minority interests					51,004
Net profit for the year					1,069,002
OTHER INFORMATION					
Segment assets	19,218,135	6,466,312	8,335,733		34,020,180
Segment liabilities	1,913,557	478,330	99,375		2,491,262
Capital expenditure	971,744	275,632	–	–	1,247,376
Depreciation	522,984	251,819	45,678	–	820,481
Non-cash expenses other than depreciation	35,500	170,878	1,018,251	–	1,224,629

29. SEGMENT INFORMATION (CONT'D)

2009
Group

Primary reporting - Business segments

	Environmental products and services RM	System equipment and ancillary products RM	Investments RM	Eliminations RM	Group RM
REVENUE					
External revenue	13,349,085	4,136,532	–	–	17,485,617
Inter-segment revenue	1,136,784	6,350	1,336,000	(2,479,134)	–
Total revenue	14,485,869	4,142,882	1,336,000	(2,479,134)	17,485,617
RESULT					
Segment results (external)	2,295,854	121,757	(611,030)	–	1,806,581
Interest income	119,174	8,825	41,096	–	169,095
Finance costs	(67,719)	(21)	(23)	–	(67,763)
Profit before taxation	2,347,309	130,561	(569,957)	–	1,907,913
Taxation					(884,086)
Profit after taxation					1,023,827
Minority interests					34,170
Net profit for the year					1,057,997
OTHER INFORMATION					
Segment assets	19,295,355	6,733,806	8,886,816		34,915,977
Segment liabilities	2,606,760	627,586	83,996		3,318,342
Capital expenditure	253,544	46,735	–		300,279
Depreciation	533,513	244,523	45,678		843,714
Non-cash expenses other than depreciation	124,972	161,289	668,866		955,127

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

30. SIGNIFICANT INTERCOMPANY AND RELATED PARTY DISCLOSURE

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

	Company 2010 RM	Company 2009 RM
Management fee from subsidiary companies	1,206,000	1,336,000
Dividend received from subsidiary companies	2,617,996	2,508,896

b) Compensation of key management personnel

The key management personnel comprised mainly executive directors of the Company whose remuneration are disclosed in Note 24.

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

31. CONTINGENT LIABILITIES (UNSECURED)

	Company 2010 RM	Company 2009 RM
Corporate guarantees given to financial institutions for finance lease facilities granted to subsidiary companies	146,700	146,700
Corporate guarantees given to financial institutions for banking facilities granted to subsidiary companies	16,410,000	16,410,000
	16,556,700	16,556,700

32. DIVIDENDS

	Group 2010 RM	Group 2009 RM
Final dividend for financial year ended 31 December 2009 - Single tier dividend of 0.48 sen per share	1,209,598	–
Final dividend for financial year ended 31 December 2008 - Gross dividend of 0.17 sen per ordinary share less income tax and 0.29 sen per ordinary share, tax exempt.	–	1,052,096

After the end of the reporting period the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders.

32. DIVIDENDS (CONT'D)

	Company	
	Single tier dividend per share (sen)	Amount of single tier dividend RM
Final dividend for financial year ended 31 December 2010	0.48	1,209,600

33. FINANCIAL INSTRUMENTS

(A) FINANCIAL RISK MANAGEMENT POLICIES

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

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

(a) Foreign currency risk

The Group 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 is primarily the US dollars and Singapore dollars.

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

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

The financial assets of the Group as at 31 December 2010 that are not denominated in their foreign currencies are as follow:

		Denominated in	
	USD RM	SGD RM	Other RM
Trade Debtor	22,043	5,897	–
Other Debtor	–	578,393	–
Cash and Bank	1,659	–	24,420
	23,702	584,290	24,420

The Group has not recorded the unrealised foreign exchange gain approximately of RM 6,000 during the year due to insignificant impact on the results of the Group.

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(b) Interest rate risk

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

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

	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM	Effective interest rate during the year %
The Group					
2010					
Financial Assets					
Short-term investments	5,581,283	–	–	5,581,283	2.60-2.95
Deposits with licensed banks	3,045,975	–	–	3,045,975	2.60-2.95
Financial Liabilities					
Bank overdraft	123,041	–	–	123,041	8.07
Finance lease liabilities	33,821	3,249	–	37,070	2.78-3.00
	156,862	3,249	–	160,111	
The Company					
2010					
Financial Assets					
Short-term investments	1,776,100	–	–	1,776,100	2.60-2.95
Deposits with licensed banks	635,782	–	–	635,782	2.60-2.95

33. FINANCIAL INSTRUMENTS (CONT'D)

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

(b) Interest rate risk (Cont'd)

	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM	Effective interest rate during the year %
The Group					
2009					
Financial Assets					
Short-term investments	4,149,056	–	–	4,149,056	2.60-2.95
Deposits with licensed banks	3,866,543	–	–	3,866,543	2.0-2.56
Financial Liabilities					
Bank overdraft	149,372	–	–	149,372	7.05
Bills payable	389,321	–	–	389,321	7.05
Finance lease liabilities	47,159	37,070	–	84,229	2.78-7.3
	585,852	37,070	–	622,922	
The Company					
2009					
Financial Assets					
Short-term investments	1,123,562	–	–	1,123,562	2.60-2.95
Deposits with licensed banks	973,662	–	–	973,662	2.0-2.56

(c) Credit risk

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

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

The Company has given corporate guarantees to its subsidiary companies for banking facilities and security of goods (see Note 31). In view of the stability of the subsidiary companies' financial position, the Directors are confident that such credit risk is minimal.

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

The maximum exposures to credit risk are represented by the carrying amounts shown in the statement of financial position.

33. *FINANCIAL INSTRUMENTS (CONT'D)*

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

(d) Market risk

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

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

(e) Liquidity and cash flow risks

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

(f) Fair values

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

2010	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
Financial Assets				
Other investment	152,100	–	152,100	–

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

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Other Investment

Available-for-sale financial asset of the Group and of the Company comprised unquoted shares in Malaysia. It was not practicable to estimate the fair value of this investment due to the lack of comparable quoted market prices.

(iii) Long term borrowings

The carrying amount of the non current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of other financial assets and financial liabilities of the Group approximate their carrying value and the Group does not anticipate the carrying amounts recorded at the end of the financial period to be significantly different from the values that would eventually be settled or received.

33. FINANCIAL INSTRUMENTS (CONT'D)

(B) UNRECOGNISED FINANCIAL INSTRUMENTS

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

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

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

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

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

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

34. ACQUISITION OF SUBSIDIARY

During the year the Group acquired the 51% equity interest in Akva-Tek Sdn.Bhd, a company incorporated in Malaysia and principally engaged in dealing in chemical, laboratory and industrial product for a total consideration of RM 1,530.

The net assets acquired in the transaction, goodwill and cash flow arising therefrom, are based on management account as at 31 January 2010 as follow:

	At date of acquisition RM
Trade and other receivables	803
Cash and bank balances	4,585
Trade and other payables	(9,085)
	(3,697)
Goodwill on consolidation	5,227
Purchase consideration	1,530
Cash and cash equivalents acquired	4,585
Acquisition of subsidiary, net of cash acquired	(3,055)

35. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The gearing ratios as at 31 December 2010 were as follows:

	Group	
	2010 RM	**2009 RM**
Total borrowings	160,111	622,922
Total equity	31,018,304	31,209,904
Gearing ratio	0.50%	2.00%

The decrease in the gearing ratio during 2010 resulted primarily from the settlement of borrowings.

36. COMPARATIVE FIGURES

Comparative figures as at 1 January 2009 and 31 December 2009 have been reclassified to conform with the current year's presentation pursuant to the retrospective application of FRS 117 Leases as follows :

Effects to the statement of financial position as at 31 December 2010 arising from the above change in accounting policy.

	Group RM
Increase / (decrease)	
Property, plant and equipment	2,705,567
Prepaid land lease payments	(2,705,567)

The following comparative figures in the statements of financial position have been restated:

	As previously reported RM	**Increase / (decrease) RM**	**As restated RM**
Group			
At 31 December 2009			
Property, plant and equipment	8,310,574	2,705,567	11,016,141
Prepaid land lease payments	2,705,567	(2,705,567)	–
At 1 January 2009			
Property, plant and equipment	9,092,412	2,750,154	11,842,566
Prepaid land lease payments	2,750,154	(2,750,154)	–

37. SUPPLEMENTARY INFORMATION - REALISED AND UNREALISED PROFITS/(LOSSES)

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraph 2.07 and 2.23 of Bursa Malaysia ACE Market Listing Requirements. The directives requires all issuers to disclose the breakdown of the unappropriated profits and accumulated losses as at the end of the reporting period, into realised and unrealised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:-

	2010	
	Group RM	Company RM
Total accumulated profits of Brite-Tech Berhad and its subsidiaries:		
- Realised	16,115,887	1,552,905
- Unrealised in respect of deferred tax recognised in the statements of comprehensive income	(471,266)	–
	15,644,621	1,552,905
Less : Consolidation adjustments	(10,418,710)	–
Total Group/Company accumulated profits as per consolidated accounts	5,225,911	1,552,905

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 12 April 2011.

Statistic Of Shareholdings
as at 31 March 2011

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	-	624

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of Issued share capital
Less than 100	29	4.65	1,379	0.00
100 - 1,000	58	9.29	16,626	0.01
1,001 - 10,000	206	33.01	955,068	0.38
10,001 - 100,000	226	36.22	8,060,028	3.20
100,001 to less than 5% of issued shares	102	16.35	86,498,928	34.32
5% and above of issued shares	3	0.48	156,467,971	62.09
	624	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	974,400 *	0.38
2	Chan Ah Kien	25,213,147	10.01	–	–
3	Tan Boon Kok	24,821,963	9.85	16,800 **	0.01
4	Kan King Choy	10,215,841	4.05	90,552 #	0.04
5	Ir. Koh Thong How	487,200	0.19	113,152,861 +	44.90
6	Dr. Seow Pin Kwong	305,760	0.12	–	–
7	Cheng Sim Meng	–	–	–	–
8	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 her spouse, Liong Mee Mee

Deemed interested by virtue of the shareholdings of her spouse, Lee Kim Peng

List Of 30 Largest Shareholders
as at 31 March 2011

	Name of Shareholders	No. of Shares	%
1	Pang Wee See	113,152,861	44.90
2	Tan Boon Kok	24,821,963	9.85
3	Chan Ah Kien	18,493,147	7.34
4	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chong Foong Melw*	11,762,088	4.67
5	Kan King Choy	10,215,841	4.05
6	Chan Ah Kien	6,720,000	2.67
7	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Sepulohniam A/L M.Somu*	5,000,112	1.98
8	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yee Kim Keow*	3,708,752	1.47
9	Lee Ee Lee	3,305,360	1.31
10	Yiap Chee Keng	3,210,084	1.27
11	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yap Chee Seng*	2,657,592	1.06
12	Liang G-E	2,268,181	0.90
13	Chong Tuck Chiew	2,100,000	0.83
14	AIBB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Low Kok Tiong*	1,680,000	0.67
15	Mayban Securities Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yoong Fui Kien (Dealer 01C)*	1,605,100	0.64
16	Toong Chong Seng	1,260,000	0.50
17	Liang G-E	1,258,824	0.50
18	Chan Yin Juan @ Chin Hin Poon	1,192,800	0.47
19	Maheswaran A/L Rajamanickam	1,164,240	0.46
20	Tay Lay Cheng	1,159,704	0.46
21	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yap Yuen Choy (CEB)*	974,400	0.39
22	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lee Chong Theen*	954,912	0.38
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	HLG Nominee (Asing) Sdn Bhd *Exempt An For DBS Bank (Hong Kong) Limited (A/C 5)*	738,528	0.29
27	Tay Lay Cheng	719,544	0.29
28	Cheah Yoke Thai	698,904	0.28
29	Tan Boon Eng	619,800	0.25
30	Lee Jia Yian	600,000	0.24
		224,597,537	89.13

LIST OF PROPERTIES
AS AT 31 DECEMBER 2010

The following are the properties held by the Group as at 31 December 2010:

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

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2010 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
P.T. No. 5015, Mukim of Damansara, District of Petaling, Selangor D.E.*	Freehold Land & Building (Rented to related company)	42,880 sq. ft.	3,060	Triple storey office block and a single storey factory	15	20,402
P.T. No. 12144, Mukim of Kapar, District of Kelang, Selangor D.E.*	Freehold Land & Building (Operational assets held for owner occupation)	4,220 sq. ft.	365	Double storey semidetached factory	31	1,900
				Extension	5	4,074
P.T. No. 723, H.S. (M) 956, Mukim of Setul, District of Seremban Negeri Sembilan.*	Leasehold Land (99 years, expiring in 2/10/2085) (Surplus to the operational requirement)	50,939 sq. ft.	744	Vacant land	–	–

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

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2010 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (M) 1117, Lot No. 4568, Mukim 14, District of Seberang Perai Tengah, Pulau Pinang.*	Freehold Building (Rented to related company)	1,540 sq. ft.	208	Double storey shophouse	18	3,322
PTD 85433, H.S. (D) 169547, Mukim Pelentong, District of Johor Bahru, Johor.*	Freehold Building (Rented to related company)	2,400 sq. ft.	517	Double storey shophouse	19	3,072
P.T. No. 11419, Mukim of Damansara, District of Petaling, Selangor.*	Freehold Building (Assets held for investments)	1,760 sq. ft.	1,185	Triple storey shophouse	18	5,161

LIST OF PROPERTIES (CONT'D)
AS AT 31 DECEMBER 2010

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

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2010 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (D) 31573, Lot No. PTD 42295, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	9,375 sq. ft.	393	Single storey detached factory	11	4,800
H.S. (D) 23144, Lot No. PTD 38519, Mukim and District of Kluang, Johor.*	Freehold Building (Assets held for investment)	1,540 sq. ft.	107	$1\frac{1}{2}$ storey light industrial factory	13	2,156
PTD 32881, Mukim and District of Kluang, Johor.*	Freehold Building (Assets held for investments)	1,540 sq. ft.	314	Double storey shophouse	16	3,080
PTD 42334, Mukim and District of Kluang, Johor. (Date of acquisition: 12 May 2004)	Freehold Building (Operational assets held for owner occupation)	7,700 sq. ft	251	Double storey semidetached factory	9	4,675
PTD 42336, Mukim and District of Kluang, Johor. (Date of acquisition: 12 May 2004)	Freehold Building (Operational assets held for owner occupation)	7,700 sq. ft	251	Double storey semidetached factory	9	4,675

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

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2010 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
PLO No. 705, Pasir Gudang Industrial Area, Mukim Plentong, Daerah Johor Bahru, Johor. (Date of acquisition: 22 August 2003)	Leasehold Land (60 years, expiring in 2064) (Idle)	87,120 sq. ft.	917	Vacant land	–	–
PLO No. 706, Pasir Gudang Industrial Area, Mukim Plentong, Daerah Johor Bahru, Johor. (Date of acquisition: 22 August 2003)	Leasehold Land (60 years, expiring in 2064) (Idle)	87,120 sq. ft.	917	Vacant land	–	–

LIST OF PROPERTIES (CONT'D)
AS AT 31 DECEMBER 2010

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

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2010 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (D) 97263 P.T. No. 27732 Mukim and District of Petaling, State of Selangor (Date of acquisition: 17 September 2002) **	Leasehold Land & Building (87 years, expiring in 14/11/2090) (Operational assets held for owner occupation)	1,604 sq. ft.	204	Single storey terrace factory	22	1,600
H.S. (D) 40981 P.T. No. 14631 Daerah Gombak, Bandar Kundang, State of Selangor (Date of acquisition: 10 January 2004) ***	Freehold Land & Building (Surplus to the operational requirement)	4,098 sq. ft.	241	Double storey terrace factory	7	1,120

Note:-

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

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

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

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

PROXY FORM

No. of shares held

I/We ....

of ....

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

....

or failing him/her ....

of ....

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Tenth Annual General Meeting of the Company, to be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Thursday, 12 May 2011 at 9.30 a.m. and any adjournment thereof.

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

No.	Resolution	For	Against
1.	To declare a final single tier dividend of 0.48 sen per ordinary share in respect of the year ended 31 December 2010.		
2.	To approve the payment of Directors' fees for the year ended 31 December 2010.		
	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. Tan Boon Kok		
4.	Mr. Ng Kok Ann		
5.	Mr. Cheng Sim Meng		
6.	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		
7.	To re-appoint S. F. Yap & Co as auditors of the Company and to authorise the Directors to fix their remuneration		
	Special Business		
8.	**Ordinary Resolution** - To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		
9.	**Special Resolution** - Proposed Amendments to the Articles of Association of the Company		

(Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain at his/their discretion)

Signed this .... day of 2011

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

Notes:

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

Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

1st fold here