

BRITE-TECH BERHAD

Company no. 550212-U
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2016

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 JUNE 2016**

	<---- Individual Quarter ---->		<---- Cumulative Quarters ---->	
	Current Quarter Ended 30.06.2016 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.06.2015 (Unaudited) RM'000	Current Year-To-Date 30.06.2016 (Unaudited) RM'000	Preceding Year-To-Date 30.06.2015 (Unaudited) RM'000
Revenue	6,875	6,250	15,869	13,154
Operating expenses	(5,305)	(4,969)	(12,163)	(10,676)
Other operating income	215	(18)	521	52
Profit from operating activities	1,785	1,263	4,227	2,530
Impairment loss of goodwill	-	-	-	-
Finance income	80	183	149	316
Finance costs	(48)	(19)	(74)	(33)
Profit before tax	1,817	1,427	4,302	2,813
Taxation	(438)	(359)	(1,063)	(705)
Profit for the period	1,379	1,068	3,239	2,108
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,379	1,068	3,239	2,108
Total comprehensive income for the period				
Owners of the Company	1,365	1,034	3,187	2,051
Non-controlling interests	14	34	52	57
	<u>1,379</u>	<u>1,068</u>	<u>3,239</u>	<u>2,108</u>
Number of shares in issue ('000)	252,000	252,000	252,000	252,000
Weighted average number of shares ('000)	252,000	252,000	252,000	252,000
Earnings per ordinary share attributable to owners of the Company (sen):				
- Basic	<u>0.54</u>	<u>0.41</u>	<u>1.26</u>	<u>0.81</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015.)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	As at End of Current Year Quarter 30.06.2016 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2015 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	22,756	21,238
Investment properties	17,455	17,423
Deferred taxation	150	150
Goodwill on consolidation	1,168	1,168
Total Non-Current Assets	41,529	39,979
Current Assets		
Inventories	2,257	1,389
Trade and other receivables	12,293	10,549
Tax recoverable	88	137
Short-term investments	6,426	5,761
Fixed deposits with licensed banks	-	754
Cash and bank balances	4,641	2,828
Total Current Assets	25,705	21,418
TOTAL ASSETS	67,234	61,397
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	29,554	27,955
	54,754	53,155
Non-controlling interests	849	797
Total Equity	55,603	53,952
Non-Current Liabilities		
Long term borrowings (secured)	3,238	1,018
Deferred taxation	2,298	2,298
	5,536	3,316
Current Liabilities		
Trade and other payables	3,773	3,479
Amount due to directors	118	128
Bank overdraft	89	99
Short term borrowings (secured)	1,640	241
Provision for taxation	475	182
	6,095	4,129
Total Liabilities	11,631	7,445
TOTAL EQUITY AND LIABILITIES	67,234	61,397
Net assets per share attributable to owners of the Company (RM)	0.22	0.21

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015.)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2ND QUARTER ENDED 30 JUNE 2016**

	<----- Attributable to owners of the Company ----->						
	<----- Non-distributable----->		<-Distributable ->		Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation reserves RM'000	Retained Profits RM'000	Retained Profits RM'000			
<u>6 Months Ended 30 June 2016</u>							
<u>(Unaudited)</u>							
Balance as at 1 January 2016	25,200	11,895	16,060	53,155	797	53,952	
Total comprehensive income for the financial period	-	-	3,187	3,187	52	3,239	
Dividend paid in respect of financial year ended 31 December 2015	-	-	(1,588)	(1,588)	-	(1,588)	
Balance as at 30 June 2016	<u>25,200</u>	<u>11,895</u>	<u>17,659</u>	<u>54,754</u>	<u>849</u>	<u>55,603</u>	
<u>6 Months Ended 30 June 2015</u>							
<u>(Unaudited)</u>							
Balance as at 1 January 2015	25,200	6,491	14,517	46,208	715	46,923	
Total comprehensive income for the financial period	-	-	2,051	2,051	57	2,108	
Dividend paid in respect of financial year ended 31 December 2014	-	-	(1,588)	(1,588)	-	(1,588)	
Balance as at 30 June 2015	<u>25,200</u>	<u>6,491</u>	<u>14,980</u>	<u>46,671</u>	<u>772</u>	<u>47,443</u>	

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015.)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2ND QUARTER ENDED 30 JUNE 2016

	6 Months Period Ended 30.06.2016 (Unaudited) RM'000	6 Months Corresponding Period Ended 30.06.2015 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	4,302	2,813
Adjustments for:		
Depreciation on property, plant and equipment	378	372
Finance costs	74	33
Finance income	(149)	(316)
Loss on disposal of property, plant and equipment	10	-
Impairment loss on trade receivables	-	9
Operating profit before working capital changes	<u>4,615</u>	<u>2,911</u>
Changes in working capital:		
Inventories	(868)	(420)
Trade & other receivables	(1,744)	(1,400)
Trade & other payables	284	203
Cash from operations	<u>2,287</u>	<u>1,294</u>
Interest paid	(74)	(33)
Income tax paid	(721)	(512)
Net cash from operating activities	<u>1,492</u>	<u>749</u>
Cash flows from investing activities		
Interest received	149	316
Purchase of property, plant and equipment	(1,939)	(724)
Proceeds from disposal of property, plant and equipment	-	5
Net cash used in investing activities	<u>(1,790)</u>	<u>(403)</u>
Cash flows from financing activities		
Drawdown from hire purchase/bank borrowings	2,618	423
Drawdown of term loan	1,103	-
Repayments of bank borrowings	(102)	(148)
Dividend paid to owners of the Company	(1,588)	(1,588)
Net cash from/(used in) financing activities	<u>2,031</u>	<u>(1,313)</u>
Net changes in cash and cash equivalents	1,733	(967)
Cash and cash equivalent at beginning of period	<u>9,245</u>	<u>17,502</u>
Cash and cash equivalent at end of period	<u>10,978</u>	<u>16,535</u>
Cash and cash equivalents comprise the following:		
Short-term investments	6,426	11,845
Fixed deposits with licensed banks	-	758
Cash and bank balances	4,641	4,027
Bank overdraft	(89)	(95)
Cash and cash equivalents at end of the period	<u>10,978</u>	<u>16,535</u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2015.)

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 ("MFRS134")

A1 Basis of preparation

The unaudited interim financial statements for the 2nd quarter ended 30 June 2016 have been prepared under the historical cost convention except for financial instruments which are stated at fair values in accordance to Malaysian Financial Reporting Standards MFRS 139 *Financial Instruments: Recognition and Measurement* and the retirement benefit obligations in accordance with MFRS 119 *Employee Benefits*.

The unaudited interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The unaudited interim financial statements should be read in conjunction with the audited financial statement for the financial year ended 31 December 2015. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2015.

The significant accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2015, except for the adoption of the following MFRSs, IC interpretation and Amendments to MFRSs during the current financial period:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS101	Disclosure Initiative
Amendments to MFRS116 & MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS116 & MFRS 141	Agriculture: Bearer Plants
Amendments to MFRS10, MFRS 12 & MFRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to MFRS127	Equity Method in Separate Financial Statements
Annual improvements to MFRSs 2012-2014 Cycle	

The adoption of the above pronouncements did not have any financial impact to the Group.

As at the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group:

Effective for financial periods beginning on or after 1 January 2017

Amendments to MFRS107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses

Effective for financial periods beginning on or after 1 January 2018

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2019

MFRS 16	Leases
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Effective date to be determined by Malaysia Accounting Standards Board

Amendments to MFRS10 & MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2015 was not qualified.

A3 Comments About Seasonal or Cyclical Factors

The Group's principal business is not significantly affected by seasonality or cyclicity factors during the current quarter under review.

A4 Unusual Items Affecting Interim Financial Report

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

A5 Dividends Paid

A final single-tier dividend on ordinary share of 0.63 sen per share amounting to RM1,587,600 (2014: RM1,587,600) in respect of the financial year ended 31 December 2015 was approved by the shareholders at the Company's Annual General Meeting held on 27 May 2016 and has been paid by the Company on 23 June 2016 to shareholders whose names appear in the Register of Depositors at the close of business on 15 June 2016.

A6 Material Changes in Estimates Used

There were no significant changes in the nature and amount of estimates used in prior interim reporting period or prior financial years that have a material effect in the current quarter under review.

A7 Debt and Equity Securities

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter under review.

A8 Segmental Information

Segment revenue and segment results for the financial period ended 30 June 2016 by the respective operating segments are as follows:

Financial Period Ended 30.06.2016	Environmental products and services	System equipment and ancillary products	Investments	Inter-segment Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	11,572	4,297	-	-	15,869
Inter-segment revenue	201	3	724	(928)	-
Total revenue	<u>11,773</u>	<u>4,300</u>	<u>724</u>	<u>(928)</u>	<u>15,869</u>
RESULT					
Segment results (external)	3,062	1,164	1	-	4,227
Finance income	70	23	56	-	149
Finance costs	(74)	-	-	-	(74)
Profit before taxation	<u>3,058</u>	<u>1,187</u>	<u>57</u>	<u>-</u>	<u>4,302</u>
Taxation					(1,063)
Total comprehensive income for the period					<u>3,239</u>
Non-controlling interests					(52)
Profit attributable to Owners of the Company					<u><u>3,187</u></u>

Financial Period Ended 30.06.2015	Environmental products and services	System equipment and ancillary products	Investments	Inter-segment Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	11,414	1,740	-	-	13,154
Inter-segment revenue	258	11	661	(930)	-
Total revenue	<u>11,672</u>	<u>1,751</u>	<u>661</u>	<u>(930)</u>	<u>13,154</u>
RESULT					
Segment results (external)	2,204	412	(86)	-	2,530
Finance income	153	21	142	-	316
Finance costs	(33)	-	-	-	(33)
Profit before taxation	<u>2,324</u>	<u>433</u>	<u>56</u>	<u>-</u>	<u>2,813</u>
Taxation					(705)
Total comprehensive income for the period					<u>2,108</u>
Non-controlling interests					(57)
Profit attributable to Owners of the Company					<u><u>2,051</u></u>

A9 Valuations of Property, Plant and Equipment

There has been no valuation undertaken for the Group's property, plant and equipment in the current quarter under review.

A10 Material Subsequent Event

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the unaudited interim financial statements.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A12 Derivatives

- (a) There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the quarter ended 30 June 2016; and
- (b) The Group has not entered into a type of derivatives not disclosed in the previous financial year or any of the previous quarters under the current financial year.

A13 Gains / Losses Arising from Fair Value Changes of Financial Liabilities

There were no material amount of gains or losses arising from fair value changes of its financial liabilities for the current and cumulative quarter.

A14 Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets of the Group since the last financial year ended on 31 December 2015.

A15 Capital Commitments

After having made all reasonable enquiries and save as disclosed below, as at the end of the financial year, the Board is not aware of any material commitment for capital expenditure incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results / position of the Group:

	30.06.2016 (Unaudited) RM '000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	1,936

The above mentioned material commitments are expected to be funded through internally-generated fund and / or bank borrowings of the Group.

A16 Significant Related Party Transactions

	Current Year Quarter 30.06.2016 RM'000	Cumulative Year To Date 30.06.2016 RM'000
The Group has the following inter companies transactions:		
Management fees	363	724
Rental	60	106
Revenue	107	204

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1 Review of Performance for the Current Quarter and Financial Year-To-Date

The Group's revenue for the current quarter ended 30 June 2016 showed a slight increase of 10.0% to RM6.875 million from RM6.250 million in the preceding corresponding year's quarter. The Group's profit before tax increased by 27.26% to RM1.816 million as against preceding corresponding year's quarter of RM1.427 million.

The Group's revenue for the financial year-to-date ended 30 June 2016 showed an increase of 20.64% to RM15.869 million from RM13.154 million in the preceding corresponding year's quarter. The Group's profit before tax increased by 52.90% to RM4.301 million as against preceding corresponding year's quarter of RM2.813 million.

The increase in the Group's profit before tax for the current quarter and financial year-to-date were mainly due to higher revenue achieved and bad debts recovered.

Environmental products and services

This segment is the main contributor for the financial period ended 30 June 2016 as it comprised 72.92% of the total revenue.

For the financial period ended 30 June 2016, the revenue in environmental products and services increased by RM0.101 million or 0.87% to RM11.773 million as compared to RM11.672 million reported in the corresponding financial period ended 30 June 2015. The profit before tax for the financial period ended 30 June 2016 increased by RM0.734 million or 31.58% to RM3.058 million as compared to RM2.324 million reported in the corresponding financial period ended 30 June 2015.

System equipment and ancillary products

This segment comprised 27.08% of the total revenue for the financial period ended 30 June 2016.

For the financial period ended 30 June 2016, the revenue in system equipment and ancillary products increased by RM2.549 million or 145.57% to RM4.3 million as compared to RM1.751 million reported in the corresponding financial period ended 30 June 2015. The profit before tax for the financial period ended 30 June 2016 increased by RM0.754 million or 174.13% to RM1.187 million as compared to RM0.433 million reported in the corresponding financial period ended 30 June 2015.

The results of the current quarter and financial year-to-date under review have not been affected by any transactions or events of a material or unusual nature.

B2 Variation of Results Against Immediate Preceding Quarter

	Current Year Quarter 30.06.2016	Immediate Preceding Quarter 31.03.2016	Variation	
	RM'000	RM'000	RM'000	%
Revenue	6,875	8,994	(2,119)	-23.56%
Profit before tax	1,817	2,485	-668	-26.88%

For the current quarter under review, the Group recorded lower revenue of RM6.876 million, representing a decrease of 23.56% from the immediate preceding quarter's revenue of RM8.994 million. The Group's profit before tax for the current quarter decreased by 26.88% to RM1.817 million as compared to the preceding quarter.

B3 Prospects

The Group expects the year ahead to remain challenging. Barring any unforeseen circumstances, the performance of the existing business of the Group is likely to remain satisfactory for the year ahead.

B4 Variance of Actual Profit from Forecast Profit

Not applicable as the Group did not issue any profit forecast or profit guarantee for the current quarter under review.

BRITE-TECH BERHAD (550212-U)
(Incorporated in Malaysia)
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE 2ND QUARTER ENDED 30 JUNE 2016

B5 Taxation

The Group's taxation for the current quarter and financial year-to-date were as follows:

	Individual Quarter		Cumulative Quarters	
	Current Year	Preceding Year	Current Year-To-	Preceding
	Quarter	Quarter	Date	Year-To-Date
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
	RM'000	RM'000	RM'000	RM'000
Income and deferred tax				
-Current	451	360	1,076	706
-(Over)/under provision in prior year	(13)	(1)	(13)	(1)
	<u>438</u>	<u>359</u>	<u>1,063</u>	<u>705</u>

B6 Additional Notes to Condensed Consolidated Statements of Profit and Loss and Other Comprehensive Income

	Current Year	Current Year-To-
	Quarter	Date
	30.06.2016	30.06.2016
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Other operating income:		
Rental income	58	142
Bad debts recovered	154	309
Foreign exchange (loss)/gain	(12)	35
Operating expenses:		
Depreciation on property, plant and equipment	184	378
Loss on disposal of property, plant and equipment	10	10

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

B8 Borrowings

The Group's borrowings as at the current quarter are as follows:

	Current Year
	Quarter
	30.06.2015
	RM'000
Short term borrowings (Secured)	1,729
Long term borrowings (Secured)	3,238
Total	<u>4,967</u>

Bank overdraft of RM 0.089 million has been included as short term borrowings.

The Group has no unsecured borrowings in the current quarter under review.

The Group's borrowings are all denominated in Ringgit Malaysia.

B9 Changes in Material Litigation

There were no pending material litigation which would materially and adversely affect the financial position of the Group and the Company at the date of this announcement.

B10 Earnings Per Share

The basic and diluted earnings per share (EPS) for the current quarter and financial year-to-date have been calculated as follows:

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.06.2016	Preceding Year Corresponding Quarter 30.06.2015	Current Year-To- Date 30.06.2016	Preceding Year-To-Date 30.06.2015
Profits attributable to owners of the Company (RM'000)	1,365	1,034	3,187	2,051
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.54	0.41	1.26	0.81
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A

The diluted EPS is not applicable as there were no potential ordinary shares in issue for the current quarter and cumulative quarter.

B11 Dividends Payable

The Board of Directors has declared an interim single-tier dividend on ordinary share of 0.73 sen (2015: 0.63 sen) per share amounting to RM1,839,600 (2015: RM1,587,600) in respect of the financial year ended 31 December 2016 and will be paid by the Company on 28 September 2016 to shareholders whose names appear in the Register of Depositors at the close of business on 15 September 2016.

B12 Realised and Unrealised Retained Profits

The retained profits of the Group is analysed as follows:

	As at 30.06.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
Total retained profits of Company and its subsidiaries:		
- Realised	25,472	25,681
- Unrealised	1,422	1,422
	<u>26,894</u>	<u>27,103</u>
Less: Consolidation adjustments	(9,235)	(9,221)
Total Group retained profits as per consolidated accounts	<u>17,659</u>	<u>17,882</u>

The determination of realised and unrealised profits or losses is compiled based on Guidance of Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised retained profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

BY ORDER OF THE BOARD

Wong Maw Chuan (MIA 7413)
Wong Youn Kim (f) (MAICSA 7018778)
Lee Chin Wen (f) (MAICSA 7061168)
Company Secretaries
Kuala Lumpur
25 August 2016