

BRITE-TECH BERHAD

Company no. 550212-U
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2016

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016

	<---- Individual Quarter ---->		<----- Cumulative Quarters ---->	
	Current Quarter Ended 30.09.2016 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.09.2015 (Unaudited) RM'000	Current Year-To-Date 30.09.2016 (Unaudited) RM'000	Preceding Year-To-Date 30.09.2015 (Unaudited) RM'000
Revenue	8,333	7,079	24,202	20,233
Operating expenses	(6,755)	(6,123)	(18,918)	(16,799)
Other operating income	38	77	559	129
Profit from operating activities	1,616	1,033	5,843	3,563
Impairment loss of goodwill	-	-	-	-
Finance income	59	124	208	440
Finance costs	(40)	(15)	(114)	(48)
Profit before tax	1,635	1,142	5,937	3,955
Taxation	(380)	(285)	(1,443)	(990)
Profit for the period	1,255	857	4,494	2,965
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,255	857	4,494	2,965
Total comprehensive income for the period				
Owners of the Company	1,252	856	4,439	2,907
Non-controlling interests	3	1	55	58
	<u>1,255</u>	<u>857</u>	<u>4,494</u>	<u>2,965</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>0.50</u>	<u>0.34</u>	<u>1.76</u>	<u>1.15</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 SEPTEMBER 2016

	As at End of Current Year Quarter 30.09.2016 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2015 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	24,454	21,238
Investment properties	17,455	17,423
Deferred taxation	150	150
Goodwill on consolidation	1,168	1,168
Total Non-Current Assets	43,227	39,979
Current Assets		
Inventories	1,559	1,389
Trade and other receivables	12,437	10,549
Tax recoverable	104	137
Short-term investments	5,611	5,761
Fixed deposits with licensed banks	-	754
Cash and bank balances	4,139	2,828
Total Current Assets	23,850	21,418
TOTAL ASSETS	67,077	61,397
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	28,966	27,955
	54,166	53,155
Non-controlling interests	852	797
Total Equity	55,018	53,952
Non-Current Liabilities		
Long term borrowings (secured)	3,903	1,018
Deferred taxation	2,298	2,298
	6,201	3,316
Current Liabilities		
Trade and other payables	3,113	3,479
Amount due to directors	120	128
Bank overdraft	91	99
Short term borrowings (secured)	2,092	241
Provision for taxation	442	182
	5,858	4,129
Total Liabilities	12,059	7,445
TOTAL EQUITY AND LIABILITIES	67,077	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.)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2016

	<----- Attributable to owners of the Company ----->					
	<----- Non-distributable----->		<-Distributable ->		Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital	Revaluation reserves	Retained Profits	Total Shareholders' Equity		
RM'000	RM'000	RM'000	RM'000			
<u>9 Months Ended 30 September 2016 (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	-	-	4,439	4,439	55	4,494
Dividend paid in respect of financial year ended 31 December 2015	-	-	(1,588)	(1,588)	-	(1,588)
Interim dividend paid in 28 September 2016	-	-	(1,840)	(1,840)	-	(1,840)
Balance as at 30 September 2016	<u>25,200</u>	<u>11,895</u>	<u>17,071</u>	<u>54,166</u>	<u>852</u>	<u>55,018</u>
<u>9 Months Ended 30 September 2015 (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	-	-	2,907	2,907	58	2,965
Dividend paid in respect of financial year ended 31 December 2014	-	-	(1,587)	(1,587)	-	(1,587)
Interim dividend paid in 28 September 2015	-	-	(1,587)	(1,587)	-	(1,587)
Balance as at 30 September 2015	<u>25,200</u>	<u>6,491</u>	<u>14,250</u>	<u>45,941</u>	<u>773</u>	<u>46,714</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 3RD QUARTER ENDED 30 SEPTEMBER 2016

	9 Months Period Ended 30.09.2016 (Unaudited) RM'000	9 Months Corresponding Period Ended 30.09.2015 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	5,937	3,955
Adjustments for:		
Bad debts written off	-	10
Depreciation on property, plant and equipment	592	567
Loss on disposal of property, plant and equipment	10	-
Finance costs	114	48
Finance income	(208)	(440)
Operating profit before working capital changes	<u>6,445</u>	<u>4,140</u>
Changes in working capital:		
Inventories	(170)	(229)
Trade & other receivables	(1,888)	(3,939)
Trade & other payables	(374)	2,655
Cash from operations	<u>4,013</u>	<u>2,627</u>
Interest paid	(114)	(48)
Income tax paid	(1,150)	(992)
Net cash from operating activities	<u>2,749</u>	<u>1,587</u>
Cash flows from investing activities		
Interest received	208	440
Purchase of property, plant and equipment	(3,856)	(3,344)
Proceeds from disposal of property, plant and equipment	5	114
Net cash used in investing activities	<u>(3,643)</u>	<u>(2,790)</u>
Cash flows from financing activities		
Drawdown from bank borrowings	4,831	422
Repayments of bank borrowings	(95)	(171)
Dividend paid to owners of the Company	(3,428)	(3,174)
Net cash from/(used in) financing activities	<u>1,308</u>	<u>(2,923)</u>
Net changes in cash and cash equivalents	414	(4,126)
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>9,659</u>	<u>13,376</u>
Cash and cash equivalents comprise the following:		
Short-term investments	5,611	9,970
Fixed deposits with licensed banks	-	916
Cash and bank balances	4,139	2,587
Bank overdraft	(91)	(97)
Cash and cash equivalents at end of the period	<u>9,659</u>	<u>13,376</u>

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

A1 Basis of preparation

The unaudited interim financial statements for the 3rd quarter ended 30 September 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 & MFRS138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS116 & MFRS141	Agriculture: Bearer Plants
Amendments to MFRS10, MFRS12 & MFRS128	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 MFRS112	Recognition of Deferred Tax Assets for Unrealised Losses

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS2	Classification and Measurement of Share-Based Payment Transactions
MFRS9	Financial Instruments
MFRS15	Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2019

MFRS16	Leases
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Effective date to be determined by Malaysia Accounting Standards Board

Amendments to MFRS10 & MFRS128	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 RM1,587,598 (2015: RM1,587,598) 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.

An Interim single-tier dividend on ordinary share of 0.73 sen per share amounting to RM1,839,598 has been 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.

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 September 2016 by the respective operating segments are as follows:

Financial Period Ended 30.09.2016	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	17,107	7,095	-	-	24,202
Inter-segment revenue	315	5	1,087	(1,407)	-
Total revenue	<u>17,422</u>	<u>7,100</u>	<u>1,087</u>	<u>(1,407)</u>	<u>24,202</u>
RESULT					
Segment results (external)	4,370	1,449	24	-	5,843
Finance income	99	31	78	-	208
Finance costs	(114)	-	-	-	(114)
Profit before taxation	<u>4,355</u>	<u>1,480</u>	<u>102</u>	<u>-</u>	<u>5,937</u>
Taxation					(1,443)
Total comprehensive income for the period					<u>4,494</u>
Non-controlling interests					(55)
Profit attributable to Owners of the Company					<u>4,439</u>

Financial Period Ended 30.09.2015	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	16,616	3,617	-	-	20,233
Inter-segment revenue	413	12	988	(1,413)	-
Total revenue	<u>17,029</u>	<u>3,629</u>	<u>988</u>	<u>(1,413)</u>	<u>20,233</u>
RESULT					
Segment results (external)	3,071	578	(86)	-	3,563
Finance income	208	29	203	-	440
Finance costs	(48)	-	-	-	(48)
Profit before taxation	<u>3,231</u>	<u>607</u>	<u>117</u>	<u>-</u>	<u>3,955</u>
Taxation					(990)
Total comprehensive income for the period					<u>2,965</u>
Non-controlling interests					(58)
Profit attributable to Owners of the Company					<u>2,907</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 September 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:

	30.09.2016
	(Unaudited)
	RM '000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	<u>1,715</u>

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 30.09.2016 RM'000	Cumulative Year To Date 30.09.2016 RM'000
The Group has the following inter companies transactions:		
Management fees	<u>363</u>	<u>1,087</u>
Rental	<u>52</u>	<u>158</u>
Revenue	<u>116</u>	<u>320</u>

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 September 2016 showed an increase of 17.71% to RM8.333 million from RM7.079 million in the preceding corresponding year's quarter. The Group's profit before tax increased by 43.17% to RM1.635 million as against preceding corresponding year's quarter of RM1.142 million.

The Group's revenue for the financial year-to-date ended 30 September 2016 showed an increase of 19.62% to RM24.202 million from RM20.233 million in the preceding corresponding year's financial year-to-date. The Group's profit before tax increased by 50.11% to RM5.937 million as against preceding corresponding year's financial year-to-date of RM3.955 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.

Environmental products and services

This segment is the main contributor for the financial period ended 30 September 2016 as it comprised 70.68% of the total revenue.

For the financial period ended 30 September 2016, the revenue in environmental products and services increased by RM0.393 million or 2.31% to RM17.422 million as compared to RM17.029 million reported in the corresponding financial period ended 30 September 2015. The profit before tax for the financial period ended 30 September 2016 increased by RM1.124 million or 34.79% to RM4.355 million as compared to RM3.231 million reported in the corresponding financial period ended 30 September 2015.

System equipment and ancillary products

This segment comprised 29.32% of the total revenue for the financial period ended 30 September 2016.

For the financial period ended 30 September 2016, the revenue in system equipment and ancillary products increased by RM3.471 million or 95.65% to RM7.1 million as compared to RM3.629 million reported in the corresponding financial period ended 30 September 2015. The profit before tax for the financial period ended 30 September 2016 increased by RM0.873 million or 143.82% to RM1.48 million as compared to RM0.607 million reported in the corresponding financial period ended 30 September 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 30.09.2016	Immediate Preceding Quarter 30.06.2016	Variation	
	RM'000	RM'000	RM'000	%
Revenue	8,333	6,875	1,458	21.21%
Profit before tax	1,635	1,817	-182	-10.02%

For the current quarter under review, the Group recorded higher revenue of RM8.333 million, representing an increase of 21.21% from the immediate preceding quarter's revenue of RM6.875 million. The Group's profit before tax for the current quarter decreased by 10.02% to RM1.635 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.

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	Corresponding	Date	Year-To-Date
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Income and deferred tax				
-Current	349	294	1,425	1,000
-Under/(over) provision in prior year	31	(9)	18	(10)
	<u>380</u>	<u>285</u>	<u>1,443</u>	<u>990</u>

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

	Current Year	Current Year-To-
	Quarter	Date
	30.09.2016	30.09.2016
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Other operating income:		
Rental income	72	214
Bad debts recovered	20	329
Foreign exchange (loss)/gain	(29)	6
Operating expenses:		
Depreciation on property, plant and equipment	214	592
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
	30.09.2016
	RM'000
Short term borrowings (Secured)	2,183
Long term borrowings (Secured)	3,903
Total	<u>6,086</u>

Bank overdraft of RM 0.091 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 30.09.2016	Preceding Year Corresponding Quarter 30.09.2015	Current Year-To- Date 30.09.2016	Preceding Year-To-Date 30.09.2015
Profits attributable to owners of the Company (RM'000)	1,252	856	4,439	2,907
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.50	0.34	1.76	1.15
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 of the Company does not recommend any dividend for the current quarter under review.

B12 Realised and Unrealised Retained Profits

The retained profits of the Group is analysed as follows:

	As at 30.09.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
Total retained profits of Company and its subsidiaries:		
- Realised	24,887	25,681
- Unrealised	1,422	1,422
	<u>26,309</u>	<u>27,103</u>
Less: Consolidation adjustments	(9,238)	(9,221)
Total Group retained profits as per consolidated accounts	<u>17,071</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
22 November 2016