

BRITE-TECH BERHAD

Company no. 550212-U
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016

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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2016**

	<--- Individual Quarter --->		<--- Cumulative Quarters --->	
	Current Quarter Ended 31.12.2016 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 31.12.2015 (Unaudited) RM'000	Current Year-To-Date 31.12.2016 (Unaudited) RM'000	Preceding Year-To-Date 31.12.2015 (Audited) RM'000
Revenue	6,660	6,827	30,862	27,060
Operating expenses	(6,254)	(5,950)	(25,172)	(22,746)
Other operating income	182	1,171	741	1,300
Profit from operating activities	588	2,048	6,431	5,614
Impairment loss of goodwill	(200)	-	(200)	-
Finance income	89	8	297	448
Finance costs	(77)	(15)	(191)	(64)
Profit before tax	400	2,041	6,337	5,998
Taxation	2	(306)	(1,441)	(1,279)
Profit for the period	402	1,735	4,896	4,719
Other comprehensive income for the period, net of tax	-	5,485	-	5,485
Total comprehensive income for the period	402	7,220	4,896	10,204
Profit after taxation for the period attributable to:				
Owners of the Company	393	1,792	4,832	4,718
Non-controlling interests	9	(57)	64	1
	402	1,735	4,896	4,719
Total comprehensive income for the period attributable to:				
Owners of the Company	393	7,196	4,832	10,122
Non-controlling interests	9	24	64	82
	402	7,220	4,896	10,204
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	0.16	0.71	1.92	1.87
- Diluted	N/A	N/A	N/A	N/A

(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 31 DECEMBER 2016

	As at End of Current Year Quarter 31.12.2016 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2015 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	23,976	21,238
Investment properties	22,283	17,423
Deferred taxation	32	150
Goodwill on consolidation	968	1,168
Total Non-Current Assets	47,259	39,979
Current Assets		
Inventories	1,366	1,389
Trade and other receivables	8,553	10,549
Tax recoverable	249	137
Short-term investments	5,914	5,761
Fixed deposits with licensed banks	100	754
Cash and bank balances	4,348	2,828
Total Current Assets	20,530	21,418
TOTAL ASSETS	67,789	61,397
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	29,360	27,956
	54,560	53,156
Non-controlling interests	860	796
Total Equity	55,420	53,952
Non-Current Liabilities		
Long term borrowings (secured)	3,919	1,018
Deferred taxation	2,316	2,298
	6,235	3,316
Current Liabilities		
Trade and other payables	3,292	3,479
Amount due to directors	14	128
Bank overdraft	93	99
Short term borrowings (secured)	2,668	241
Provision for taxation	67	182
	6,134	4,129
Total Liabilities	12,369	7,445
TOTAL EQUITY AND LIABILITIES	67,789	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 4TH QUARTER ENDED 31 DECEMBER 2016

	<----- Attributable to owners of the Company ----->					Total Equity RM'000
	<---- Non-distributable---->		<-Distributable ->		Non- controlling Interests RM'000	
	Share Capital RM'000	Revaluation reserves RM'000	Retained Profits RM'000	Total Shareholders' Equity RM'000		
<u>12 Months Ended 31 December 2016 (Unaudited)</u>						
Balance as at 1 January 2016	25,200	11,895	16,061	53,156	796	53,952
Total comprehensive income for the financial period	-	-	4,832	4,832	64	4,896
Dividend paid in respect of financial year ended 31 December 2015	-	-	(1,588)	(1,588)	-	(1,588)
Interim dividend paid on 28 September 2016	-	-	(1,840)	(1,840)	-	(1,840)
Balance as at 31 December 2016	<u>25,200</u>	<u>11,895</u>	<u>17,465</u>	<u>54,560</u>	<u>860</u>	<u>55,420</u>
<u>12 Months Ended 31 December 2015 (Audited)</u>						
Balance as at 1 January 2015	25,200	6,491	14,518	46,209	714	46,923
Total comprehensive income for the financial period	-	5,404	4,718	10,122	82	10,204
Dividend paid in respect of financial year ended 31 December 2014	-	-	(1,588)	(1,588)	-	(1,588)
Interim dividend paid on 28 September 2015	-	-	(1,587)	(1,587)	-	(1,587)
Balance as at 31 December 2015	<u>25,200</u>	<u>11,895</u>	<u>16,061</u>	<u>53,156</u>	<u>796</u>	<u>53,952</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 4TH QUARTER ENDED 31 DECEMBER 2016**

	12 Months Period Ended 31.12.2016 (Unaudited) RM'000	12 Months Corresponding Period Ended 31.12.2015 (Audited) RM'000
Cash flows from operating activities		
Profit before taxation	6,337	5,998
Adjustments for:		
Bad debts written off	1	-
Depreciation on property, plant and equipment	832	758
Finance costs	191	64
Finance income	(297)	(448)
Gain on fair value adjustment of investment properties	-	(920)
Loss on disposal of property, plant and equipment	4	1
Impairment of goodwill	200	-
Impairment loss on trade receivables	354	568
Impairment loss on other receivables	10	8
Foreign exchange (gain)/loss - unrealised	(45)	70
Provision for slow-moving inventories	193	30
Property, plant and equipment written off	11	14
Operating profit before working capital changes	<u>7,791</u>	<u>6,143</u>
Changes in working capital:		
Inventories	(170)	(271)
Trade & other receivables	1,631	(3,072)
Trade & other payables	(142)	579
Cash from operations	<u>9,110</u>	<u>3,379</u>
Interest paid	(191)	(64)
Income tax refund	52	53
Income tax paid	(1,584)	(1,320)
Net cash from operating activities	<u>7,387</u>	<u>2,048</u>
Cash flows from investing activities		
Interest received	297	448
Purchase of property, plant and equipment	(8,446)	(7,441)
Proceeds from disposal of property, plant and equipment	1	107
Net cash used in investing activities	<u>(8,148)</u>	<u>(6,886)</u>
Cash flows from financing activities		
(Repayment to)/advances from Directors	(114)	14
Drawdown/(repayment) of bank borrowings	5,328	(260)
Dividend paid to owners of the Company	(3,428)	(3,175)
Net cash generated from/(used in) financing activities	<u>1,786</u>	<u>(3,421)</u>
Net changes in cash and cash equivalents	1,025	(8,259)
Cash and cash equivalent at beginning of period	9,244	17,503
Cash and cash equivalent at end of period	<u>10,269</u>	<u>9,244</u>
Cash and cash equivalents comprise the following:		
Short-term investments	5,914	5,761
Fixed deposits with licensed banks	100	754
Cash and bank balances	4,348	2,828
Bank overdraft	(93)	(99)
Cash and cash equivalents at end of the period	<u>10,269</u>	<u>9,244</u>

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

A1 Basis of preparation

Basis of preparation

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
Annual improvements to MFRSs 2014-2016 Cycle	

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS2	Classification and Measurement of Share-Based Payment Transactions
Amendments to MFRS140	Transfers of Investment Property
Annual improvements to MFRSs 2014-2016 Cycle	

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 other than the two Standards described below, for which the effects of adoption are still being assessed:

MFRS9	Financial Instruments
MFRS15	Revenue from Contracts with Customers
MFRS15	Clarifications to MFRS 15

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 31 December 2016 by the respective operating segments are as follows:

Financial Period Ended 31.12.2016	System		Investments	Inter-segment Eliminations	Group
	Environmental products and services	equipment and ancillary products			
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	22,418	8,444	-	-	30,862
Inter-segment revenue	447	7	1,450	(1,904)	-
Total revenue	22,865	8,451	1,450	(1,904)	30,862
RESULT					
Segment results (external)	5,180	1,371	(120)	-	6,431
Finance income	159	40	98	-	297
Finance costs	(183)	(8)	-	-	(191)
Impairment of goodwill					(200)
Profit before taxation	5,156	1,403	(22)	-	6,337
Taxation					(1,441)
Total profit after taxation for the period					4,896
Non-controlling interests					(64)
Profit attributable to Owners of the Company					4,832

Financial Period Ended 31.12.2015	System		Investments	Inter-segment Eliminations	Group
	Environmental products and services	equipment and ancillary products			
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	22,132	4,928	-	-	27,060
Inter-segment revenue	473	13	1,315	(1,801)	-
Total revenue	22,605	4,941	1,315	(1,801)	27,060
RESULT					
Segment results (external)	4,185	1,649	(221)	-	5,613
Finance income	182	37	229	-	448
Finance costs	(63)	-	-	-	(63)
Profit before taxation	4,304	1,686	8	-	5,998
Taxation					(1,279)
Total profit after taxation for the period					4,719
Non-controlling interests					(1)
Profit attributable to Owners of the Company					4,718

A9 Valuations of Property, Plant and Equipment

There has been no valuation undertaken for the Group's properties 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 of 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, except Brite-Tech (Sabah) Sdn Bhd and Hooker Chemical (Johore) Sdn Bhd has been struck off pursuant to Section 308(2) of the Companies Act 1965.

A12 Derivatives

- (a) There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at the end of the quarter ended 31 December 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:

	31.12.2016 (Unaudited) RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	651

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 31.12.2016 RM '000	Cumulative Year To Date 31.12.2016 RM'000
The Group has the following inter companies		
Management fees	363	1,450
Rental	53	211
Revenue	134	454

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 31 December 2016 showed a decrease of 2.45% to RM6.66 million from RM6.827 million in the preceding corresponding year's quarter. The Group's profit before tax decreased by 80.4% to RM0.4 million as against preceding corresponding year's quarter of RM2.041 million mainly due to recognition of fair value adjustment of investment properties of RM0.92 million in the preceding corresponding year's quarter.

The Group's revenue for the financial year-to-date ended 31 December 2016 showed an increase of 14.05% to RM30.862 million from RM27.06 million in the preceding corresponding year's financial year-to-date. In line with the increase in the Group's revenue for the financial year-to-date, the Group's profit before tax increased by 5.65% to RM6.337 million as against preceding corresponding year's financial year-to-date of RM5.998 million.

Environmental products and services

This segment is the main contributor for the financial period ended 31 December 2016 as it comprised 72.64% of the total revenue.

For the financial period ended 31 December 2016, the revenue in environmental products and services increased by RM0.26 million or 1.15% to RM22.865 million as compared to RM22.605 million reported in the corresponding financial period ended 31 December 2015. The profit before tax for the financial period ended 31 December 2016 increased by RM0.852 million or 19.8% to RM5.156 million as compared to RM4.304 million reported in the corresponding financial period ended 31 December 2015.

System equipment and ancillary products

This segment comprised 27.36% of the total revenue for the financial period ended 31 December 2016.

For the financial period ended 31 December 2016, the revenue in system equipment and ancillary products increased by RM3.51 million or 71.04% to RM8.451 million as compared to RM4.941 million reported in the corresponding financial period ended 31 December 2015. The profit before tax for the financial period ended 31 December 2016 decreased by RM0.283 million or 16.79% to RM1.403 million as compared to RM1.686 million reported in the corresponding financial period ended 31 December 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 31.12.2016	Immediate Preceding Quarter 30.09.2016	Variation	
	RM'000	RM'000	RM'000	%
Revenue	6,660	8,333	-1,673	-20.08%
Profit before tax	400	1,635	-1,235	-75.54%

For the current quarter under review, the Group recorded decrease of revenue by RM1.673 million, representing a decrease of 20.08% from the immediate preceding quarter's revenue of RM8.333 million. The Group's profit before tax for the current quarter decreased by 75.54% to RM0.4 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
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	RM'000	RM'000	RM'000	RM'000
Income and deferred tax				
-Current	320	350	1,745	1,335
-Over provision in prior year	(322)	(44)	(304)	(56)
	<u>(2)</u>	<u>306</u>	<u>1,441</u>	<u>1,279</u>

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

	Current Year Quarter 31.12.2016 (Unaudited) RM'000	Current Year-To- Date 31.12.2016 (Unaudited) RM'000
Other operating income:		
Rental income	77	291
Bad debts recovered	64	393
Foreign exchange gain - unrealised	45	45
Miscellaneous income	23	23
Operating expenses:		
Bad debts written off	1	1
Depreciation on property, plant and equipment	240	832
Impairment loss on goodwill	200	200
Impairment loss on trade and other receivables	364	364
Plant and equipment written off	11	11
(Gain)/loss on disposal of plant and equipment	(6)	4
Provision for slow-moving inventories	193	193
Foreign exchange loss	41	35

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 31.12.2016 RM'000
Short term borrowings (Secured)	2,761
Long term borrowings (Secured)	3,919
Total	<u>6,680</u>

Bank overdraft of RM 0.1 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 31.12.2016	Preceding Year Corresponding Quarter 31.12.2015	Current Year-To- Date 31.12.2016	Preceding Year-To-Date 31.12.2015
Profits attributable to owners of the Company (RM'000)	393	1,792	4,832	4,718
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.16	0.71	1.92	1.87
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 is proposing a final single tier dividend on ordinary share of 0.80 sen per share amounting to RM2,016,000.00 in respect of the financial year ended 31 December 2016 (2015: 0.63 sen per share), subject to approval by shareholders at the forthcoming Annual General Meeting.

B12 Realised and Unrealised Retained Profits

The retained profits of the Group is analysed as follows:

	As at 31.12.2016 (Unaudited) RM'000	As at 31.12.2015 (Audited) RM'000
Total retained profits of Company and its subsidiaries:		
- Realised	25,444	23,822
- Unrealised	1,422	1,422
	<u>26,866</u>	<u>25,244</u>
Less: Consolidation adjustments	(9,401)	(9,183)
Total Group retained profits as per consolidated accounts	<u>17,465</u>	<u>16,061</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 (MAICSA 7018778)
Lee Chin Wen (MAICSA 7061168)
Company Secretaries
Kuala Lumpur
24 February 2017