

BRITE-TECH BERHAD

Company no. 550212-U
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 JUNE 2017

	<--- Individual Quarter --->		<--- Cumulative Quarters --->	
	Current Quarter Ended 30.06.2017 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.06.2016 (Unaudited) RM'000	Current Year-To-Date 30.06.2017 (Unaudited) RM'000	Preceding Year-To-Date 30.06.2016 (Unaudited) RM'000
Revenue	6,641	6,875	12,829	15,869
Operating expenses	(5,328)	(5,305)	(9,989)	(12,163)
Other operating income	151	215	333	521
Profit from operating activities	1,464	1,785	3,173	4,227
Impairment loss of goodwill	-	-	-	-
Finance income	57	80	117	149
Finance costs	(70)	(48)	(130)	(74)
Profit before tax	1,451	1,817	3,160	4,302
Taxation	(357)	(438)	(831)	(1,063)
Profit for the period	1,094	1,379	2,329	3,239
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,094	1,379	2,329	3,239
Total comprehensive income for the period				
Owners of the Company	1,101	1,365	2,371	3,187
Non-controlling interests	(7)	14	(42)	52
	<u>1,094</u>	<u>1,379</u>	<u>2,329</u>	<u>3,239</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>0.44</u>	<u>0.54</u>	<u>0.94</u>	<u>1.26</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 2016.)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	As at End of Current Year Quarter 30.06.2017 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2016 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	24,533	23,916
Investment properties	22,309	22,309
Deferred taxation	33	33
Goodwill on consolidation	968	968
Total Non-Current Assets	47,843	47,226
Current Assets		
Inventories	1,488	1,366
Trade and other receivables	9,484	8,682
Tax recoverable	228	292
Short-term investments	5,811	6,002
Fixed deposits with licensed banks	-	100
Cash and bank balances	4,638	4,258
Total Current Assets	21,649	20,700
TOTAL ASSETS	69,492	67,926
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	29,773	29,418
	54,973	54,618
Non-controlling interests	817	859
Total Equity	55,790	55,477
Non-Current Liabilities		
Long term borrowings (secured)	6,596	5,166
Deferred taxation	2,321	2,321
	8,917	7,487
Current Liabilities		
Trade and other payables	3,692	3,469
Amount due to directors	9	20
Bank overdraft	97	93
Short term borrowings (secured)	792	1,322
Provision for taxation	195	58
	4,785	4,962
Total Liabilities	13,702	12,449
TOTAL EQUITY AND LIABILITIES	69,492	67,926
Net assets per share attributable to owners of the Company (RM)	0.22	0.22

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016.)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 2ND QUARTER ENDED 30TH JUNE 2017

	←----- Attributable to owners of the Company -----→					
	←--- Non-distributable---→		<-Distributable ->			
	Share Capital RM'000	Revaluation Reserves RM'000	Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
<u>6 Months Ended 30 June 2017</u>						
<u>(Unaudited)</u>						
Balance as at 1 January 2017	25,200	11,895	17,523	54,618	859	55,477
Total comprehensive income for the financial period	-	-	2,371	2,371	(42)	2,329
Dividend paid in respect of financial year ended 31 December 2016	-	-	(2,016)	(2,016)	-	(2,016)
Balance as at 30 June 2017	<u>25,200</u>	<u>11,895</u>	<u>17,878</u>	<u>54,973</u>	<u>817</u>	<u>55,790</u>
<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>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016.)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2ND QUARTER ENDED 30 JUNE 2017

	6 Months Period Ended 30.06.2017 (Unaudited) RM'000	6 Months Corresponding Period Ended 30.06.2016 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	3,160	4,302
Adjustments for:		
Depreciation on property, plant and equipment	459	378
Loss on disposal of property, plant and equipment	-	10
Property, plant and equipment written off	2	-
Finance costs	130	74
Finance income	(117)	(149)
Operating profit before working capital changes	<u>3,634</u>	<u>4,615</u>
Changes in working capital:		
Inventories	(122)	(868)
Trade & other receivables	(802)	(1,744)
Trade & other payables	223	284
Cash from operations	<u>2,933</u>	<u>2,287</u>
Interest paid	(130)	(74)
Income tax paid	(630)	(721)
Net cash from operating activities	<u>2,173</u>	<u>1,492</u>
Cash flows from investing activities		
Interest received	117	149
Purchase of property, plant and equipment	(1,078)	(1,939)
Net cash used in investing activities	<u>(961)</u>	<u>(1,790)</u>
Cash flows from financing activities		
Repayments to directors	(11)	-
Drawdown of loan and borrowings, net of repayment	900	3,619
Dividend paid to owners of the Company	(2,016)	(1,588)
Net cash (used in)/from financing activities	<u>(1,127)</u>	<u>2,031</u>
Net changes in cash and cash equivalents	85	1,733
Cash and cash equivalent at beginning of period	<u>10,267</u>	<u>9,245</u>
Cash and cash equivalent at end of period	<u>10,352</u>	<u>10,978</u>
Cash and cash equivalents comprise the following:		
Short-term investments	5,811	6,426
Cash and bank balances	4,638	4,641
Bank overdraft	(97)	(89)
Cash and cash equivalents at end of the period	<u>10,352</u>	<u>10,978</u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016.)

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

A1 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 2016. 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 financial year ended 31 December 2016.

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 2018

MFRS9	Financial Instruments
MFRS15	Revenue from Contracts with Customers
MFRS15	Clarifications to MFRS 15
IC Interpretation 22	Foreign Currency Transactions an Advance Consideration
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
IC Interpretation 23	Uncertainty over Income Tax Treatments

Effective for financial periods beginning on or after 1 January 2021

MFRS17	Insurance Contracts
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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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A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2016 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 0.80 sen per share amounting to RM2,016,000 (2015: RM1,587,600) in respect of the financial year ended 31 December 2016 was approved by the shareholders at the Company's Annual General Meeting held on 22 May 2017 and has been paid by the Company on 23 June 2017 to shareholders whose names appear in the Register of Depositors at the close of business on 15 June 2017.

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 2017 by the respective operating segments are as follows:

<u>Financial Period Ended 30.06.2017</u>	Environmental	System	Investments	Inter-	Group
	products and	equipment		segment	
REVENUE	services	and ancillary	RM'000	Eliminations	RM'000
	RM'000	products	RM'000	RM'000	RM'000
External revenue	10,557	2,272	-	-	12,829
Inter-segment revenue	180	3	762	(945)	-
Total revenue	10,737	2,275	762	(945)	12,829
RESULT					
Segment results (external)	2,687	530	(44)	-	3,173
Finance income	57	10	50	-	117
Finance costs	(118)	(12)	-	-	(130)
Profit before taxation	2,626	528	6	-	3,160
Taxation					(831)
Total comprehensive income for the period					2,329
Non-controlling interests					42
Profit attributable to Owners of the Company					2,371

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

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 2017; 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 contingent liabilities or contingent assets arising since the last financial year ended on 31 December 2016.

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:

	30.06.2017
	(Unaudited)
	RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	<u>651</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

The Group has the following inter companies transactions:

	Current Year Quarter 30.06.2017 RM'000	Cumulative Year To Date 30.06.2017 RM'000
Management fees	<u>401</u>	<u>762</u>
Rental	<u>41</u>	<u>94</u>
Revenue	<u>106</u>	<u>183</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

	Individual Quarter				Cumulative Quarters			
	Preceding Year		Changes Amount RM'000	Changes %	Current Year-To-Date 30.06.2017 RM'000	Preceding Year-To-Date 30.06.2016 RM'000	Changes Amount RM'000	Changes %
	Current Quarter Ended 30.06.2017 RM'000	Corresponding Quarter Ended 30.06.2016 RM'000						
Revenue	6,641	6,875	(234)	(3.40)	12,829	15,869	(3,040)	(19.16)
Operating Profit	1,464	1,785	(321)	(17.98)	3,173	4,227	(1,054)	(24.93)
Profit Before Tax	1,451	1,817	(366)	(20.14)	3,160	4,302	(1,142)	(26.55)
Profit After Tax	1,094	1,379	(285)	(20.67)	2,329	3,239	(910)	(28.10)
Profit Attributable to: Owners of the Company	1,101	1,365	(264)	(19.34)	2,371	3,187	(816)	(25.60)
Non-Controlling Interest	(7)	14	(21)	(150)	(42)	52	(94)	(180.77)

The Group's revenue for the current quarter ended 30 June 2017 showed a decrease of 3.40% to RM6.641 million from RM6.875 million in the preceding corresponding year's quarter. The Group's profit before tax decreased by 20.14% to RM1.451 million as against preceding corresponding year's quarter of RM1.817 million.

The Group's revenue for the financial year-to-date ended 30 June 2017 showed a decrease of 19.16% to RM12.829 million from RM15.869 million in the preceding corresponding year's quarter. The Group's profit before tax decreased by 26.55% to RM3.16 million as against preceding corresponding year's quarter of RM4.302 million.

The decrease in the Group's profit before tax for the current quarter and financial year-to-date were mainly due to lower revenue achieved in the system equipment and ancillary products sector.

Environmental products and services

This segment is the main contributor for the financial period ended 30 June 2017 as it comprised 82.29% of the total revenue.

For the financial period ended 30 June 2017, the revenue in environmental products and services decreased by RM1.036 million or 8.80% to RM10.737 million as compared to RM11.773 million reported in the corresponding financial period ended 30 June 2016. The profit before tax for the financial period ended 30 June 2017 decreased by RM0.432 million or 14.13% to RM2.626 million as compared to RM3.058 million reported in the corresponding financial period ended 30 June 2016.

System equipment and ancillary products

This segment comprised 17.71% of the total revenue for the financial period ended 30 June 2017.

For the financial period ended 30 June 2017, the revenue in system equipment and ancillary products decreased by RM2.025 million or 47.09% to RM2.275 million as compared to RM4.3 million reported in the corresponding financial period ended 30 June 2016. The profit before tax for the financial period ended 30 June 2017 decreased by RM0.659 million or 55.52% to RM0.528 million as compared to RM1.187 million reported in the corresponding financial period ended 30 June 2016.

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 30.06.2017 RM'000	Immediate Preceding Quarter 31.03.2017 RM'000	Changes Amount RM'000	Changes %
Revenue	6,641	6,188	453	7.32
Operating Profit	1,464	1,709	(245)	(14.34)
Profit Before Tax	1,451	1,709	(258)	(15.10)
Profit After Tax	1,094	1,235	(141)	(11.42)
Profit Attributable to: Owners of the Company	1,101	1,270	(169)	(13.31)
Non-Controlling Interest	(7)	(35)	28	80

For the current quarter under review, the Group recorded revenue of RM6.641 million, representing an increase of 7.32% from the immediate preceding quarter's revenue of RM6.188 million. The Group's profit before tax for the current quarter decreased by 15.10% to RM1.451 million as compared to the preceding quarter mainly due to higher operating expenses.

B3 Prospects for the Financial Year 2017

The Group will continue to focus on its existing business activities and concentrate on its core competencies while at the same time, improve its operational efficiency and cost management. The Group will continue to implement various cost saving measures and stringent cost control to counter the challenges ahead and to enhance the Group's competitiveness in the Group's industry.

The Group will continue to explore and assess other viable business and investment opportunities within the same or complementary sectors and also outside the Group's industry domain for opportunities which can bring financial stability to the Group.

Barring any unforeseen circumstances, the Board of Directors is of the opinion that the performance of the existing business of the Group is likely to remain satisfactory for the 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	Preceding
	Quarter	Corresponding	Year-To-Date	Year-To-Date
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	RM'000	RM'000	RM'000	RM'000
Income and deferred tax				
-Current	312	451	786	1,076
-Under/(over) provision in prior year	45	(13)	45	(13)
	<u>357</u>	<u>438</u>	<u>831</u>	<u>1,063</u>

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year	Current
	Quarter	Year-To-Date
	30.06.2017	30.06.2017
	(Unaudited)	(Unaudited)
	RM'000	RM'000
Other operating income:		
Rental income	96	175
Bad debts recovered	57	158
Operating expenses:		
Depreciation on property, plant and equipment	232	459
Plant and equipment written off	2	2

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
	30.06.2017
	RM'000
Short term borrowings (Secured)	889
Long term borrowings (Secured)	6,596
Total	<u>7,485</u>

Bank overdraft of RM 0.097 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

During the case management on 18 May 2017, the High Court ("Court") suggested that the Plaintiff withdraw the claim and file the matter afresh in the Sessions Court since the total sum claimed will not exceed RM1,000,000.00. The Plaintiff has accepted the Court's suggestion and had filed a Notice of Discontinuance (Notis Pemberhentian). The Notice of Discontinuance was subsequently served on the Defendant's solicitors on 25 May 2017. The Plaintiff's solicitors had informed that the Plaintiff will be filing the matter afresh in the Sessions Court and will serve the new Writ of Summons filed in the Sessions Court.

The Plaintiff has filed the matter afresh in the Sessions Court of Malaya at Shah Alam and the Defendant was served with a Writ of Summons and Statement of Claim, dated 26 May 2017, for the sum of RM222,668.72 in respect of the design, supply, installation and commissioning of a GLS Glass Fused Steel Tank in consideration of a contract sum of approximately EURO207,693.00 for the supply; and RM75,000.00 for the installation.

The Writ of Summons and Statement of Claim were received by the Defendant's solicitors on 6 June 2017.

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	
	Preceding Year		Current Year-To-Date 30.06.2017	Preceding Year-To-Date 30.06.2016
	Current Year Quarter 30.06.2017	Corresponding Quarter 30.06.2016		
Profits attributable to owners of the Company (RM'000)	1,101	1,365	2,371	3,187
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.44	0.54	0.94	1.26
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 0.80 sen (2016: 0.73 sen) per share amounting to RM2,016,000 (2016: RM1,839,600) in respect of the financial year ending 31 December 2017 and will be paid by the Company on 28 September 2017 to shareholders whose names appear in the Register of Depositors at the close of business on 15 September 2017.

B12 Realised and Unrealised Retained Profits

The retained profits of the Group is analysed as follows:

	As at 30.06.2017 (Unaudited) RM'000	As at 31.12.2016 (Audited) RM'000
Total retained profits of Company and its subsidiaries:		
- Realised	27,823	25,467
- Unrealised	1,256	1,256
	<u>29,079</u>	<u>26,723</u>
Less: Consolidation adjustments	(11,201)	(9,200)
Total Group retained profits as per consolidated accounts	<u>17,878</u>	<u>17,523</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

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
25 August 2017