BRITE-TECH BERHAD

Company no. 550212-U (Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2018

	< Individua	•	< Cumulative	Quarters>
	Current Quarter Ended 30.09.2018 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.09.2017 (Unaudited) RM'000	Current Year-To-Date 30.09.2018 (Unaudited) RM'000	Preceding Year-To-Date 30.09.2017 (Unaudited) RM'000
Revenue	6,959	7,210	19,894	20,039
Operating expenses	(5,295)	(5,818)	(15,512)	(15,807)
Other operating income	169	132	558	465
Profit from operating activities	1,833	1,524	4,940	4,697
Finance income	64	55	174	172
Finance costs	(36)	(27)	(223)	(157)
Profit before tax	1,861	1,552	4,891	4,712
Taxation	(417)	(367)	(1,198)	(1,198)
Profit for the period	1,444	1,185	3,693	3,514
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,444	1,185	3,693	3,514
Total comprehensive income for the period				
Owners of the Company	1,445	1,151	3,696	3,522
Non-controlling interests	(1)	34	(3)	(8)
	1,444	1,185	3,693	3,514
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	0.57	0.46	1.47	1.40
- 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 2017.)

BRITE-TECH BERHAD (550212-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	As at End of Current Year Quarter 30.09.2018 (Unaudited) RM'000	As at Preceding Financial Year Quarter 30.09.2017 (Unaudited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	37,661	23,110
Investment properties	14,396	23,706
Deferred taxation	39	33
Goodwill on consolidation	768	968
Total Non-Current Assets	52,864	47,817
Current Assets		
Inventories	914	1,321
Trade and other receivables	9,239	9,322
Tax recoverable	342	223
Short-term investments	9,971	5,407
Cash and bank balances	4,929	4,853
Total Current Assets	25,395	21,126
TOTAL ASSETS	78,259	68,943
EQUITY AND LIABILITIES Equity attributable to owners of the Company Share capital	25,200	25,200
Reserves	29,035	28,908
	54,235	54,108
Non-controlling interests	866	851
Total Equity	55,101	54,959
Non-Current Liabilities		
Long term borrowings (secured)	7,935	6,538
Deferred taxation	2,389	2,321
Current Liabilities	10,324	8,859
Trade and other payables	4,088	3,831
Amount due to directors	8	26
Bank overdraft	101	99
Short term borrowings (secured)	8,400	909
Provision for taxation	237	260
	12,834	5,125
Total Liabilities	23,158	13,984
TOTAL EQUITY AND LIABILITIES	78,259	68,943
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 2017.)

BRITE-TECH BERHAD (550212-U))

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2018

	< At	tributable to own	ers of the Company	>		
	< Non-distr	ributable>	<-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
9 Months Ended 30 September						
2018 (Unaudited)						
Balance as at 1 January 2018	25,200	11,895	17,476	54,571	869	55,440
Total comprehensive income for the financial period	-	-	3,696	3,696	(3)	3,693
Dividend paid in respect of financial year ended 31 December 2017	-	-	(2,016)	(2,016)	-	(2,016)
Interim dividend paid in 28 September 2018	-	-	(2,016)	(2,016)	-	(2,016)
Balance as at 30 September 2018	25,200	11,895	17,140	54,235	866	55,101
9 Months Ended 30 September 2017 (Unaudited)						
Balance as at 1 January 2017	25,200	11,895	17,523	54,618	859	55,477
Total comprehensive income for the financial period	-	-	3,522	3,522	(8)	3,514
Dividend paid in respect of financial year ended 31 December 2016	-	-	(2,016)	(2,016)	-	(2,016)
Interim dividend paid in 28 September 2016	-	-	(2,016)	(2,016)	-	(2,016)
Balance as at 30 September 2017	25,200	11,895	17,013	54,108	851	54,959

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017.)

BRITE-TECH BERHAD (550212-U)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2018

	9 Months Period Ended 30.09.2018 (Unaudited) RM'000	9 Months Corresponding Period Ended 30.09.2017 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	4,891	4,712
Adjustments for:	·	,
Depreciation on property, plant and equipment	873	712
Property, plant and equipment written off	-	2
Finance costs	223	157
Finance income	(174)	(172)
Operating profit before working capital changes	5,813	5,411
Changes in working capital:		
Inventories	232	45
Trade & other receivables	4,170	(640)
Trade & other payables	(4,219)	362
Cash from operations	5,996	5,178
Interest paid	(223)	(157)
Income tax paid	(1,188)	(927)
Net cash from operating activities	4,585	4,094
Cash flows from investing activities		
Interest received	174	172
Purchase of property, plant and equipment	(4,600)	(1,305)
Proceeds from disposal of property, plant and equipment	(146)	
Net cash used in investing activities	(4,572)	(1,133)
Cash flows from financing activities		
Drawdown of loan and borrowings, net of repayment	8,214	959
Repayments to directors	-	6
Dividend paid to owners of the Company	(4,032)	(4,032)
	4,182	(3,067)
Net changes in cash and cash equivalents	4,195	(106)
Cash and cash equivalent at beginning of period	10,604	10,267
Cash and cash equivalent at end of period	14,799	10,161
Cash and cash equivalents comprise the following:		
Short-term investments	9,971	5,407
Cash and bank balances	4,929	4,853
Bank overdraft	(101)	(99)
Cash and cash equivalents at end of the period	14,799	10,161

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 2017. 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 2017.

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:

Amendments to published standards that are effective and applicable for the Group's financial year beginning on 1 January 2019

The amendments to published standards issued by MASB that are effective and applicable for the Group's financial year beginning on 1 January 2019 are as follows:

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014) (with subsequentamendments)

MFRS 119 Employee Benefits

MFRS 128 Investment in Associates and Joint Ventures

Annual Improvements to MFRS 3

Annual Improvements to MFRS 11

Annual Improvements to MFRS 112

Annual Improvements to MFRS 123

Business Combinations

Joint Arrangements

Income Taxes

Borrowing Costs

IC Interpretation 23 Uncertainty over Income Tax Treatments

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

As at the date of authorisation of this Condensed Report, the following Standards and Amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group. The Group expects that the adoption of the relevant pronouncements will not have any significant impact on the Group's financial statements.

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 2 Share-based Payment
Amendment to MFRS 3 Business Combinations

Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources

Amendment to MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

Amendments to MFRS 134 Interim Financial Reporting

Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

Amendment to MFRS 138 <u>e Assets</u>

Amendments to IC Interpretation 12 Service Concession Arrangements

Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

Effective date of these Standards have been deferred, and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates

and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2017 was not qualified.

A3 Comments About Seasonal or Cyclical Factors

The Group's principal business is not significantly affected by seasonality or cyclicality 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

An interim single-tier dividend on ordinary share of 0.80 sen per share amounting to RM2,016,000 (2017: RM2,016,000) in respect of the financial year ending 31 December 2018 has been paid by the Company on 27 September 2018 to shareholders whose names appear in the Register of Depositors at the close of business on 14 September 2018.

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 2018 by the respective operating segments are as follows:

Financial Period Ended 30.09.2018 REVENUE	Environmental products and services RM'000	System equipment and ancillary products RM'000	Investments RM'000	Inter- segment Eliminations RM'000	Group RM'000
External revenue	17,171	2,723	-	-	19,894
Inter-segment revenue	207	4	1,250	(1,461)	-
Total revenue	17,378	2,727	1,250	(1,461)	19,894
RESULT					
Segment results (external)	4,600	233	107	-	4,940
Finance income	82	32	60	-	174
Finance costs	(175)	(48)	_	-	(223)
Profit before taxation	4,507	217	167	-	4,891
Taxation					(1,198)
Total comprehensive income for the period					3,693
Non-controlling interests					3
Profit attributable to Owners of the Company					3,696

		System			
	Environmental	equipment		Inter-	
Financial Period Ended 30.09.2017	products and	and ancillary		segment	
	services	products	Investments	Eliminations	Group
REVENUE	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	16,840	3,199	-	-	20,039
Inter-segment revenue	262	7	1,162	(1,431)	
Total revenue	17,102	3,206	1,162	(1,431)	20,039
RESULT Segment results (external) Finance income Finance costs	4,156 92 (137)	524 21 (20)	17 59	- - -	4,697 172 (157)
Profit before taxation Taxation	4,111	525	76	<u> </u>	4,712 (1,198)
Total comprehensive income for the period Non-controlling interests Profit attributable to Owners of the Company					3,514 8 3,522

A9 Valuations of Investment Properties

There were no valuation undertaken for the Group's investment 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 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 30th September 2018; 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 2017.

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:

	30.09.2018
	(Unaudited)
	RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	76

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 30.09.2018 RM'000	To Date 30.09.2018 RM'000
Management fees	425	1,250
Rental	46	128
Revenue	57	212

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

	k	Individual Quar	ter		<	Cumulative Quar	rters	>
		Preceding Year						
	Current	Corresponding			Current	Preceding		
	Quarter Ended	Quarter Ended	Changes		Year-To-Date	Year-To-Date	Changes	
	30.09.2018	30.09.2017	Amount	Changes	30.09.2018	30.09.2017	Amount	Changes
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	6,959	7,210	(251)	(3.48)	19,894	20,039	(145)	(0.72)
Operating Profit	1,833	1,524	309	20.28	4,940	4,697	243	5.17
Profit Before Tax	1,861	1,552	309	19.91	4,891	4,712	179	3.80
Profit After Tax	1,444	1,185	259	21.86	3,693	3,514	179	5.09
Profit Attributable to: Owners of the Company	1,445	1,151	294	25.54	3,696	3,522	174	4.94
Non-Controlling Interest	(1)	34	(35)	(102.94)	(3)	(8)	5	(62.50)

The Group's revenue for the current quarter ended 30 September 2018 showed a decrease of 3.48% to RM6.959 million from RM7.210 million in the preceding corresponding year's quarter. The Group's profit before tax for the current quarter increased by 19.91% to RM1.861 million as against preceding corresponding year's quarter of RM1.552 million.

The Group's revenue for the financial year-to-date ended 30 September 2018 showed a slight decrease of 0.72% to RM19.894 million from RM20.039 million in the preceding corresponding financial year-to-date. The Group's profit before tax for the financial year-to-date increased slightly by 3.80% to RM4.891 million as against preceding corresponding year's finacial year-to-date of RM4.712 million.

The increase in the Group's profit before tax for the current quarter and financial year-to-date was due to lower operating expenses.

Environmental products and services

This segment is the main contributor for the financial period ended 30 September 2018 as it comprised 86.31% of the total revenue.

For the financial period ended 30 September 2018, the revenue in environmental products and services increased by RM0.276 million or 1.61% to RM17.378 million as compared to RM17.102 million reported in the corresponding financial period ended 30 September 2017. The profit before tax for the financial period ended 30 September 2018 increased by RM0.396 million or 9.63% to RM4.507 million as compared to RM4.111 million reported in the corresponding financial period ended 30 September 2017.

System equipment and ancillary products

This segment comprised 13.69% of the total revenue for the financial period ended 30 September 2018.

For the financial period ended 30 September 2018, the revenue in system equipment and ancillary products decreased by RM0.479 million or 14.94% to RM2.727 million as compared to RM3.206 million reported in the corresponding financial period ended 30 September 2017. The profit before tax for the financial period ended 30 September 2018 decreased by RM0.308 million or 58.67% to RM0.217 million as compared to RM0.525 million reported in the corresponding financial period ended 30 September 2017.

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

		Immediate		
	Current Year	Preceding		
	Quarter	Quarter	Changes	
	30.09.2018	30.06.2018	Amount	Changes
	RM'000	RM'000	RM'000	%
Revenue	6,959	6,035	924	15.31
Operating Profit	1,833	1,310	523	39.92
Profit Before Tax	1,861	1,274	587	46.08
Profit After Tax	1,444	939	505	53.78
Profit Attributable to: Owners of the Company	1,445	936	509	54.38
Non-Controlling Interest	(1)	3	(4)	80

For the current quarter under review, the Group recorded revenue of RM6.959 million, representing an increase of 15.31% from the immediate preceding quarter's revenue of RM6.035 million. The Group's profit before tax for the current quarter increased by 46.08% to RM1.861 million as compared to the preceding quarter.

B3 Prospects for the Financial Year 2018

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 Q	uarter	Cumulative	e Quarters	
		Preceding Year			
	Current Year	Corresponding	sponding Current	Preceding	
	Quarter	Quarter	Year-To-Date	Year-To-Date	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017	
	RM'000	RM'000	RM'000	RM'000	
Income and deferred tax					
-Current	457	362	1,238	1,148	
-Under provision in prior year	(40)	5	(40)	50	
	417	367	1,198	1,198	

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 30.09.2018 (Unaudited) RM'000	Current Year-To-Date 30.09.2018 (Unaudited) RM'000
Other operating income:		
Rental income	100	297
Bad debts recovered	46	114
Operating expenses:		
Depreciation on property, plant and equipment	326	873
Plant and equipment written off	22	24

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securites 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
	30.09.2018
	RM'000
Short term borrowings (Secured)	8,501
Long term borrowings (Secured)	7,935
Total	16,436

Bank overdraft of RM 0.101 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 changes in material litigation since the immediate preceding quarter.

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 Preceding Year		Cumulativ	Cumulative Quarters	
	Current Year Quarter 30.09.2018	Corresponding Quarter 30.09.2017	Current Year-To-Date 30.09.2018	Preceding Year-To-Date 30.09.2017	
Profits attributable to owners of the Company (RM'000)	1,445	1,151	3,696	3,522	
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000	
Basic earnings per share (sen)	0.57	0.46	1.47	1.40	
Diluted earnings per share (sen)	N/A	N/A	N/A	N/A	

The dilluted 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 30.09.2018 (Unaudited) RM'000	As at 30.06.2018 (Audited) RM'000
Total retained profits of Company and its subsidiaries:		
- Realised	29,839	30,410
- Unrealised	1,256	1,256
	31,095	31,666
Less: Consolidation adjustments	(11,246)	(11,245)
Total Group retained profits as per consolidated accounts	19,849	20,421

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 28 November 2018