

BRITE-TECH BERHAD

Company no. 550212-U
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 2ND QUARTER ENDED 30 JUNE 2019**

	<----- Individual Quarter ----->		<----- Cumulative Quarters ----->	
	Current Quarter Ended 30.06.2019 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.06.2018 (Unaudited) RM'000	Current Year-To-Date 30.06.2019 (Unaudited) RM'000	Preceding Year-To-Date 30.06.2018 (Unaudited) RM'000
Revenue	7,002	6,035	13,555	12,935
Operating expenses	(5,803)	(4,861)	(11,022)	(10,217)
Other operating income	181	136	422	389
Profit from operating activities	1,380	1,310	2,955	3,107
Finance income	102	59	203	110
Finance costs	(166)	(95)	(310)	(187)
Profit before tax	1,316	1,274	2,848	3,030
Taxation	(349)	(335)	(741)	(781)
Profit for the period	967	939	2,107	2,249
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	967	939	2,107	2,249
Total comprehensive income for the period				
Owners of the Company	905	936	2,038	2,251
Non-controlling interests	62	3	69	(2)
	967	939	2,107	2,249
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	0.36	0.37	0.81	0.89
- 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 2018.)

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	As at End of Current Year Quarter 30.06.2019 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2018 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	45,431	45,988
Investment properties	9,854	9,830
Deferred taxation	33	33
Goodwill on consolidation	641	641
Total Non-Current Assets	55,959	56,492
Current Assets		
Inventories	1,286	1,052
Trade and other receivables	9,121	8,806
Tax recoverable	114	393
Short-term investments	11,038	11,644
Cash and bank balances	4,114	2,828
Total Current Assets	25,673	24,723
TOTAL ASSETS	81,632	81,215
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	32,766	32,744
	57,966	57,944
Non-controlling interests	911	842
Total Equity	58,877	58,786
Non-Current Liabilities		
Long term borrowings (secured)	14,030	14,449
Deferred taxation	3,195	3,195
	17,225	17,644
Current Liabilities		
Trade and other payables	4,204	3,024
Amount due to directors	3	6
Bank overdraft	98	99
Short term borrowings (secured)	1,035	1,518
Provision for taxation	190	138
	5,530	4,785
Total Liabilities	22,755	22,429
TOTAL EQUITY AND LIABILITIES	81,632	81,215
Net assets per share attributable to owners of the Company (RM)	0.23	0.23

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018.)

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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 2ND QUARTER ENDED 30 JUNE 2019

	<----- Attributable to owners of the Company ----->						
	<----- Non-distributable----->		<-Distributable ->		Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Revaluation Reserves RM'000	Retained Profits RM'000	Retained Profits RM'000			
6 Months Ended 30 June 2019							
(Unaudited)							
Balance as at 1 January 2019	25,200	14,987	17,757	17,757	57,944	842	58,786
Total comprehensive income for the financial period	-	-	2,038	2,038	2,038	69	2,107
Dividend paid in respect of financial year ended 31 December 2018	-	-	(2,016)	(2,016)	(2,016)	-	(2,016)
Balance as at 30 June 2019	<u>25,200</u>	<u>14,987</u>	<u>17,779</u>	<u>17,779</u>	<u>57,966</u>	<u>911</u>	<u>58,877</u>

6 Months Ended 30 June 2018
(Audited)

Balance as at 1 January 2018	25,200	11,895	17,476	17,476	54,571	869	55,440
Total comprehensive income for the financial period	-	-	2,251	2,251	2,251	(2)	2,249
Dividend paid in respect of financial year ended 31 December 2017	-	-	(2,016)	(2,016)	(2,016)	-	(2,016)
Balance as at 30 June 2018	<u>25,200</u>	<u>11,895</u>	<u>17,711</u>	<u>17,711</u>	<u>54,806</u>	<u>867</u>	<u>55,673</u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018.)

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2ND QUARTER ENDED 30 JUNE 2019

	6 Months Period Ended 30.06.2019 (Unaudited) RM'000	6 Months Corresponding Period Ended 30.06.2018 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	2,848	3,030
Adjustments for:		
Depreciation on property, plant and equipment	801	547
Finance costs	310	187
Finance income	(203)	(110)
Gain on disposal of property, plant and equipment	(10)	-
Operating profit before working capital changes	<u>3,746</u>	<u>3,654</u>
Changes in working capital:		
Inventories	(234)	546
Trade & other receivables	(315)	48
Trade & other payables	1,180	(334)
Cash from operations	<u>4,377</u>	<u>3,914</u>
Interest paid	(310)	(187)
Income tax paid	(410)	(800)
Net cash from operating activities	<u>3,657</u>	<u>2,927</u>
Cash flows from investing activities		
Interest received	203	110
Purchase of property, plant and equipment	(268)	(2,987)
Proceeds from disposal of property, plant and equipment	10	-
Net cash used in investing activities	<u>(55)</u>	<u>(2,877)</u>
Cash flows from financing activities		
Drawdown of loan and borrowings, net of repayment	(902)	1,270
Repayments to directors	(3)	(9)
Dividend paid to owners of the Company	(2,016)	(2,016)
Net cash used in financing activities	<u>(2,921)</u>	<u>(755)</u>
Net changes in cash and cash equivalents	681	(705)
Cash and cash equivalent at beginning of period	<u>14,373</u>	<u>10,604</u>
Cash and cash equivalent at end of period	<u>15,054</u>	<u>9,899</u>
Cash and cash equivalents comprise the following:		
Short-term investments	11,038	5,197
Cash and bank balances	4,114	4,801
Bank overdraft	(98)	(99)
Cash and cash equivalents at end of the period	<u>15,054</u>	<u>9,899</u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018.)

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 2018. 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 2018.

The accounting policies and presentation adopted for this unaudited interim financial statements are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2018, except as below:

MFRS 16	Leases
IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRS Standards 2015–2017 Cycle	

The adoption of these new MFRSs do not have any significant financial impact on the financial statements of the Group for the current quarter.

A2 Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited annual financial statements for the year ended 31 December 2018 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 (2017: RM2,016,000) in respect of the financial year ended 31 December 2018 was approved by the shareholders at the Company's Annual General Meeting held on 28 May 2019 and has been paid by the Company on 28 June 2019 to shareholders whose names appear in the Register of Depositors at the close of business on 14 June 2019.

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 2019 by the respective operating segments are as follows:

<u>Financial Period Ended 30.06.2019</u>	Environmental products and services RM'000	System equipment and ancillary products RM'000	Investments RM'000	Inter- segment Eliminations RM'000	Group RM'000
REVENUE					
External revenue	11,693	1,862	-	-	13,555
Inter-segment revenue	128	13	850	(991)	-
Total revenue	<u>11,821</u>	<u>1,875</u>	<u>850</u>	<u>(991)</u>	<u>13,555</u>
RESULT					
Segment results (external)	3,538	434	(1,023)	6	2,955
Finance income	94	33	76	-	203
Finance costs	(271)	(39)	-	-	(310)
Profit before taxation	<u>3,361</u>	<u>428</u>	<u>(947)</u>	<u>6</u>	<u>2,848</u>
Taxation					(741)
Total comprehensive income for the period					<u>2,107</u>
Non-controlling interests					(69)
Profit attributable to Owners of the Company					<u><u>2,038</u></u>

<u>Financial Period Ended 30.06.2018</u>	Environmental products and services RM'000	System equipment and ancillary products RM'000	Investments RM'000	Inter- segment Eliminations RM'000	Group RM'000
REVENUE					
External revenue	11,109	1,826	-	-	12,935
Inter-segment revenue	150	5	825	(980)	-
Total revenue	<u>11,259</u>	<u>1,831</u>	<u>825</u>	<u>(980)</u>	<u>12,935</u>
RESULT					
Segment results (external)	2,954	95	58	-	3,107
Finance income	64	21	25	-	110
Finance costs	(151)	(36)	-	-	(187)
Profit before taxation	<u>2,867</u>	<u>80</u>	<u>83</u>	<u>-</u>	<u>3,030</u>
Taxation					(781)
Total comprehensive income for the period					<u>2,249</u>
Non-controlling interests					2
Profit attributable to Owners of the Company					<u><u>2,251</u></u>

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 30 June 2019; 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

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 2018.

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:

	30.06.2019 (Unaudited) RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	11,000
- Approved but not contracted for	78

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 30.06.2019 RM'000	Cumulative Year To Date 30.06.2019 RM'000
Management fees	425	850
Rental	42	85
Revenue	74	141

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 ----->			
	Current Quarter Ended 30.06.2019 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2018 RM'000	Changes Amount RM'000	Changes %	Current Year-To-Date 30.06.2019 RM'000	Preceding Year-To-Date 30.06.2018 RM'000	Changes Amount RM'000	Changes %
Revenue	7,002	6,035	967	16.02	13,555	12,935	620	4.79
Operating Profit	1,380	1,310	70	5.34	2,955	3,107	(152)	(4.89)
Profit Before Tax	1,316	1,274	42	3.30	2,848	3,030	(182)	(6.01)
Profit After Tax	967	939	28	2.98	2,107	2,249	(142)	(6.31)
Profit Attributable to: Owners of the Company	905	936	(31)	(3.31)	2,038	2,251	(213)	(9.46)
Non-Controlling Interest	62	3	59	1,966.67	69	(2)	71	(3,550.00)

The Group's revenue for the current quarter ended 30 June 2019 showed an increase of 16.02% to RM7.002 million from RM6.035 million in the preceding corresponding year's quarter. The Group's profit before tax for the current quarter increased by 3.3% to RM1.316 million as against preceding corresponding year's quarter of RM1.274 million.

The Group's revenue for the financial year-to-date ended 30 June 2019 showed an increase of 4.79% to RM13.555 million from RM12.935 million in the preceding corresponding financial year-to-date. The Group's profit before tax for the financial year-to-date decreased by 6.01% to RM2.848 million as against preceding corresponding year's financial year-to-date of RM3.030 million.

The increase in the Group's profit before tax for the current quarter was due to higher revenue achieved while the decrease in the Group's profit before tax for the financial year-to-date was due to higher operating expenses.

Environmental products and services

This segment is the main contributor for the financial period ended 30 June 2019 as it comprised 86.26% of the total revenue.

For the financial period ended 30 June 2019, the revenue in environmental products and services increased by RM0.562 million or 4.99% to RM11.821 million as compared to RM11.259 million reported in the corresponding financial period ended 30 June 2018. The profit before tax for the financial period ended 30 June 2019 increased by RM0.494 million or 17.23% to RM3.361 million as compared to RM2.867 million reported in the corresponding financial period ended 30 June 2018.

System equipment and ancillary products

This segment comprised 13.74% of the total revenue for the financial period ended 30 June 2019.

For the financial period ended 30 June 2019, the revenue in system equipment and ancillary products increased by RM0.044 million or 2.4% to RM1.875 million as compared to RM1.831 million reported in the corresponding financial period ended 30 June 2018. The profit before tax for the financial period ended 30 June 2019 increased by RM0.348 million or 435% to RM0.428 million as compared to RM0.080 million reported in the corresponding financial period ended 30 June 2018.

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 30.06.2019 RM'000	Immediate Preceding Quarter 31.03.2019 RM'000	Changes Amount RM'000	Changes %
Revenue	7,002	6,553	449	6.85
Operating Profit	1,380	1,575	(195)	-12.38
Profit Before Tax	1,316	1,532	(216)	-14.10
Profit After Tax	967	1,140	(173)	-15.18
Profit Attributable to: Owners of the Company	905	1,133	(228)	-20.12
Non-Controlling Interest	62	7	55	785.71

For the current quarter under review, the Group recorded revenue of RM7.002 million, representing a increase of 6.85% from the immediate preceding quarter's revenue of RM6.553 million. The Group's profit before tax for the current quarter decreased by 14.1% to RM1.316 million as compared to the preceding quarter.

B3 Prospects for the Financial Year 2019

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 Quarter 30.06.2019 RM'000	Preceding Year Corresponding Quarter 30.06.2018 RM'000	Current Year-To-Date 30.06.2019 RM'000	Preceding Year-To-Date 30.06.2018 RM'000
Income and deferred tax				
-Current	349	335	741	781
	<u>349</u>	<u>335</u>	<u>741</u>	<u>781</u>

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 30.06.2019 (Unaudited) RM'000	Current Year-To-Date 30.06.2019 (Unaudited) RM'000
Other operating income:		
Rental income	110	204
Bad debts recovered	52	62
Gain on disposal of property, plant and equipment	10	10
Operating expenses:		
Bad debts written off	-	10
Depreciation on property, plant and equipment	403	801

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 30.06.2019 RM'000
Short term borrowings (Secured)	1,133
Long term borrowings (Secured)	14,030
Total	<u>15,163</u>

Bank overdraft of RM 0.099 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

- a) The Company had on 24 June 2019 announced that following the outcome of the decision of the High Court of Malaya at Shah Alam on 13 May 2019, GLS Tanks (M) Sdn Bhd ("the Plaintiff") has applied for leave to appeal to the Court of Appeal. The Plaintiff has also filed an appeal against the decision of the High Court Judge in dismissing the Plaintiff's appeal with no order as to costs.

The Plaintiff's application for leave to appeal to the Court of Appeal has been fixed for hearing on 10 October 2019. The Plaintiff's appeal has been fixed for a case management via e-Review on 1 August 2019.

- b) The Company had on 5 August 2019 announced that that during the case management on 1 August 2019 in respect of the Plaintiff's appeal to the Court of Appeal, the Plaintiff's solicitors informed the Court that the Plaintiff's application for leave to appeal to the Court of Appeal has been fixed for hearing on 10 October 2019. The Court then fixed a case management a day after the hearing, on 11 October 2019, to update the Court on the status of the leave to appeal and the filing of the record of appeal.

B10 Earnings Per Share

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.06.2019	Preceding Year Corresponding Quarter 30.06.2018	Current Year-To-Date 30.06.2019	Preceding Year-To-Date 30.06.2018
Profits attributable to owners of the Company (RM'000)	905	936	2,038	2,251
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.36	0.37	0.81	0.89
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 (2018: 0.80 sen) per share amounting to RM2,016,000 (2018: RM2,016,000) in respect of the financial year ending 31 December 2019 and will be paid by the Company on 26 September 2019 to shareholders whose names appear in the Register of Depositors at the close of business on 13 September 2019.

BY ORDER OF THE BOARD

Wong Maw Chuan (MIA 7413)
Wong Youn Kim (f) (MAICSA 7018778)
Lee Chin Wen (f) (MAICSA 7061168)
Company Secretaries
27 August 2019