

BRITE-TECH BERHAD

Company no. 200101014455 (550212-U)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2019

	<----- Individual Quarter ----->		<----- Cumulative Quarters ----->	
	Current Quarter Ended 30.09.2019 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.09.2018 (Unaudited) RM'000	Current Year-To-Date 30.09.2019 (Unaudited) RM'000	Preceding Year-To-Date 30.09.2018 (Unaudited) RM'000
Revenue	7,313	6,959	20,868	19,894
Operating expenses	(5,783)	(5,295)	(16,805)	(15,512)
Other operating income	305	169	727	558
Profit from operating activities	1,835	1,833	4,790	4,940
Finance income	127	64	330	174
Finance costs	(209)	(36)	(519)	(223)
Profit before tax	1,753	1,861	4,601	4,891
Taxation	(416)	(417)	(1,157)	(1,198)
Profit for the period	1,337	1,444	3,444	3,693
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,337	1,444	3,444	3,693
Total comprehensive income for the period				
Owners of the Company	1,295	1,445	3,333	3,696
Non-controlling interests	42	(1)	111	(3)
	1,337	1,444	3,444	3,693
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	0.51	0.57	1.32	1.47
- 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.)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	As at End of Current Year Quarter 30.09.2019 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2018 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	45,209	45,988
Investment properties	9,854	9,830
Deferred taxation	33	33
Goodwill on consolidation	641	641
Total Non-Current Assets	55,737	56,492
Current Assets		
Inventories	1,330	1,052
Trade and other receivables	11,069	8,806
Tax recoverable	101	393
Short-term investments	12,657	11,644
Cash and bank balances	3,547	2,828
Total Current Assets	28,704	24,723
TOTAL ASSETS	84,441	81,215
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	32,045	32,744
	57,245	57,944
Non-controlling interests	753	842
Total Equity	57,998	58,786
Non-Current Liabilities		
Long term borrowings (secured)	16,895	14,449
Deferred taxation	3,195	3,195
	20,090	17,644
Current Liabilities		
Trade and other payables	4,488	3,024
Amount due to directors	10	6
Bank overdraft	100	99
Short term borrowings (secured)	1,554	1,518
Provision for taxation	201	138
	6,353	4,785
Total Liabilities	26,443	22,429
TOTAL EQUITY AND LIABILITIES	84,441	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.)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 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			
<u>9 Months Ended 30 September 2019 (Unaudited)</u>						
Balance as at 1 January 2019	25,200	14,987	17,757	57,944	842	58,786
Total comprehensive income for the financial period	-	-	3,333	3,333	111	3,444
Dividend paid in respect of financial year ended 31 December 2018	-	-	(2,016)	(2,016)	-	(2,016)
Interim dividend paid in 26 September 2019	-	-	(2,016)	(2,016)	-	(2,016)
Interim dividend by a subsidiary to non-controlling interest	-	-	-	-	(200)	(200)
Balance as at 30 September 2019	25,200	14,987	17,058	57,245	753	57,998

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

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

BRITE-TECH BERHAD

Company no. 200101014455 (550212-U)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2019**

	9 Months Period Ended 30.09.2019 (Unaudited) RM'000	9 Months Corresponding Period Ended 30.09.2018 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	4,601	4,891
Adjustments for:		
Depreciation on property, plant and equipment	1,213	873
Finance costs	519	223
Finance income	(330)	(174)
Operating profit before working capital changes	<u>6,003</u>	<u>5,813</u>
Changes in working capital:		
Inventories	(278)	232
Trade & other receivables	(2,263)	4,170
Trade & other payables	1,464	(4,219)
Cash from operations	<u>4,926</u>	<u>5,996</u>
Interest paid	(519)	(223)
Income tax paid	(802)	(1,188)
Net cash from operating activities	<u>3,605</u>	<u>4,585</u>
Cash flows from investing activities		
Interest received	330	174
Purchase of property, plant and equipment	(474)	(4,600)
Proceeds from disposal of property, plant and equipment	16	(146)
Net cash used in investing activities	<u>(128)</u>	<u>(4,572)</u>
Cash flows from financing activities		
Drawdown of loan and borrowings, net of repayment	2,482	8,214
Repayments to directors	4	-
Dividend paid to owners of the Company	(4,032)	(4,032)
Dividend paid to non-controlling interest	(200)	-
Net cash (used in)/from financing activities	<u>(1,746)</u>	<u>4,182</u>
Net changes in cash and cash equivalents	1,731	4,195
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><u>16,104</u></u>	<u><u>14,799</u></u>
Cash and cash equivalents comprise the following:		
Short-term investments	12,657	9,971
Cash and bank balances	3,547	4,929
Bank overdraft	(100)	(101)
Cash and cash equivalents at end of the period	<u><u>16,104</u></u>	<u><u>14,799</u></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 first interim single-tier dividend on ordinary share of 0.80 sen per share amounting to RM2,016,000 (2018: RM2,016,000) in respect of the financial year ending 31 December 2019 has been 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.

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 2019 by the respective operating segments are as follows:

<u>Financial Period Ended 30.09.2019</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	18,082	2,786	-	-	20,868
Inter-segment revenue	191	16	1,275	(1,482)	-
Total revenue	<u>18,273</u>	<u>2,802</u>	<u>1,275</u>	<u>(1,482)</u>	<u>20,868</u>
RESULT					
Segment results (external)	5,575	597	(1,382)	-	4,790
Finance income	165	51	114	-	330
Finance costs	(462)	(57)	-	-	(519)
Profit before taxation	<u>5,278</u>	<u>591</u>	<u>(1,268)</u>	<u>-</u>	<u>4,601</u>
Taxation					(1,157)
Total comprehensive income for the period					<u>3,444</u>
Non-controlling interests					(111)
Profit attributable to Owners of the Company					<u><u>3,333</u></u>

<u>Financial Period Ended 30.09.2018</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	17,171	2,723	-	-	19,894
Inter-segment revenue	207	4	1,250	(1,461)	-
Total revenue	<u>17,378</u>	<u>2,727</u>	<u>1,250</u>	<u>(1,461)</u>	<u>19,894</u>
RESULT					
Segment results (external)	4,600	233	107	-	4,940
Finance income	82	32	60	-	174
Finance costs	(175)	(48)	-	-	(223)
Profit before taxation	<u>4,507</u>	<u>217</u>	<u>167</u>	<u>-</u>	<u>4,891</u>
Taxation					(1,198)
Total comprehensive income for the period					<u>3,693</u>
Non-controlling interests					3
Profit attributable to Owners of the Company					<u><u>3,696</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 September 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:

	30.09.2019 (Unaudited) RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	9,435
- Approved but not contracted for	-

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 30.09.2019 RM'000	Cumulative Year To Date 30.09.2019 RM'000
Management fees	425	1,275
Rental	43	128
Revenue	66	207

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 30.09.2019 RM'000	Preceding Year Corresponding Quarter Ended 30.09.2018 RM'000	Changes Amount RM'000	Changes %	Current Year-To-Date 30.09.2019 RM'000	Preceding Year-To-Date 30.09.2018 RM'000	Changes Amount RM'000	Changes %
Revenue	7,313	6,959	354	5.09	20,868	19,894	974	4.90
Operating Profit	1,835	1,833	2	0.11	4,790	4,940	(150)	(3.04)
Profit Before Tax	1,753	1,861	(108)	(5.80)	4,601	4,891	(290)	(5.93)
Profit After Tax	1,337	1,444	(107)	(7.41)	3,444	3,693	(249)	(6.74)
Profit Attributable to: Owners of the Company	1,295	1,445	(150)	(10.38)	3,333	3,696	(363)	(9.82)
Non-Controlling Interest	42	(1)	43	(4,300.00)	111	(3)	114	(3,800.00)

The Group's revenue for the current quarter ended 30 September 2019 showed an increase of 5.09% to RM7.313 million from RM6.959 million in the preceding corresponding year's quarter. The Group's profit before tax for the current quarter decreased by 5.80% to RM1.753 million as against preceding corresponding year's quarter of RM1.861 million.

The Group's revenue for the financial year-to-date ended 30 September 2019 showed an increase of 4.90% to RM20.868 million from RM19.894 million in the preceding corresponding financial year-to-date. The Group's profit before tax for the financial year-to-date decreased by 5.93% to RM4.601 million as against preceding corresponding year's financial year-to-date of RM4.891 million.

The decrease in the Group's profit before tax for the current quarter and 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 September 2019 as it comprised 86.65% of the total revenue.

For the financial period ended 30 September 2019, the revenue in environmental products and services increased by RM0.895 million or 5.15% to RM18.273 million as compared to RM17.378 million reported in the corresponding financial period ended 30 September 2018. The profit before tax for the financial period ended 30 September 2019 increased by RM0.771 million or 17.11% to RM5.278 million as compared to RM4.507 million reported in the corresponding financial period ended 30 September 2018.

System equipment and ancillary products

This segment comprised 13.35% of the total revenue for the financial period ended 30 September 2019.

For the financial period ended 30 September 2019, the revenue in system equipment and ancillary products increased by RM0.075 million or 2.75% to RM2.802 million as compared to RM2.727 million reported in the corresponding financial period ended 30 September 2018. The profit before tax for the financial period ended 30 September 2019 increased by RM0.374 million or 172.35% to RM0.591 million as compared to RM0.217 million reported in the corresponding financial period ended 30 September 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 30.09.2019 RM'000	Immediate Preceding Quarter 30.06.2019 RM'000	Changes Amount RM'000	Changes %
Revenue	7,313	7,002	311	4.44
Operating Profit	1,835	1,380	455	32.97
Profit Before Tax	1,753	1,316	437	33.21
Profit After Tax	1,337	967	370	38.26
Profit Attributable to: Owners of the Company	1,295	905	390	43.09
Non-Controlling Interest	42	62	(20)	-32.26

For the current quarter under review, the Group recorded revenue of RM7.313 million, representing a increase of 4.44% from the immediate preceding quarter's revenue of RM7.002 million. The Group's profit before tax for the current quarter increased by 33.21% to RM1.753 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 30.09.2019 RM'000	Preceding Year Corresponding Quarter 30.09.2018 RM'000	Current Year-To-Date 30.09.2019 RM'000	Preceding Year-To-Date 30.09.2018 RM'000
Income and deferred tax				
-Current	416	417	1,157	1,198
	<u>416</u>	<u>417</u>	<u>1,157</u>	<u>1,198</u>

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 30.09.2019 (Unaudited) RM'000	Current Year-To-Date 30.09.2019 (Unaudited) RM'000
Other operating income:		
Rental income	158	362
Bad debts recovered	139	201
Gain on disposal of property, plant and equipment	(10)	-
Operating expenses:		
Bad debts written off	(10)	-
Depreciation on property, plant and equipment	412	1,213

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

B7 Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement.

B8 Borrowings

The Group's borrowings as at the current quarter are as follows:

	Current Year Quarter 30.09.2019 RM'000
Short term borrowings (Secured)	1,654
Long term borrowings (Secured)	16,895
Total	<u>18,549</u>

Bank overdraft of RM 0.1million 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 10 October 2019 announced that GLS Tanks (M) Sdn Bhd ("the Plaintiff") had proposed that the parties resolve the matter amicably, which Hooker Chemical Sdn Bhd ("the Defendant") has accepted. While the Defendant has secured decision in its favour, the decision is subject to appeal. Upon considering the inherent uncertainty in respect of the outcome of the appeal and the additional cost that the Defendant has to incur in order to defend the appeal, the cost-benefit analysis shows that it would be more advantageous for the Defendant to fully settle the matter, particularly considering the fact that the project from which the dispute arose had already been completed by the Defendant and the project account has since been closed.

By the Plaintiff's withdrawal of the application for leave to appeal to the Court of Appeal and its appeal to the Court of Appeal, the matter has come to a close and no further announcement will be made for this matter.

- b) The Company had on 14 October 2019 announced that that its counsel attended the High Court today for the hearing of the decision of the Court and the learned Judge dismissed the Plaintiff's case with costs of RM20,000 each in favour of the Company and Brite-Tech Corporation Sdn. Bhd.

The Company had on 15 November 2019 announced that that the Plaintiff has filed an appeal with the Court of Appeal on 13 November 2019 against the decision of the High Court Judge in dismissing the Plaintiff's case with costs of RM20,000 each in favour of the Company and Brite-Tech Corporation Sdn. Bhd.

B10 Earnings Per Share

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.09.2019	Preceding Year Corresponding Quarter 30.09.2018	Current Year-To-Date 30.09.2019	Preceding Year-To-Date 30.09.2018
Profits attributable to owners of the Company (RM'000)	1,295	1,445	3,333	3,696
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.51	0.57	1.32	1.47
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

No dividend has been proposed for the financial period ended 30 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
26 November 2019