

BRITE-TECH BERHAD
Registration No. 200101014455 (550212-U)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2020

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 1ST QUARTER ENDED 31 MARCH 2020

	<----- Individual Quarter ----->		<----- Cumulative Quarters ----->	
	Current Quarter Ended 31.03.2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 31.03.2019 (Unaudited) RM'000	Current Year-To-Date 31.03.2020 (Unaudited) RM'000	Preceding Year-To-Date 31.03.2019 (Unaudited) RM'000
Revenue	6,005	6,553	6,005	6,553
Operating expenses	(5,076)	(5,219)	(5,076)	(5,219)
Other operating income	252	241	252	241
Profit from operating activities	1,181	1,575	1,181	1,575
Finance income	98	101	98	101
Finance costs	(225)	(144)	(225)	(144)
Profit before tax	1,054	1,532	1,054	1,532
Taxation	(244)	(392)	(244)	(392)
Profit for the period	810	1,140	810	1,140
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	810	1,140	810	1,140
Total comprehensive income for the period				
Owners of the Company	756	1,133	756	1,133
Non-controlling interests	54	7	54	7
	810	1,140	810	1,140
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	0.30	0.45	0.30	0.45
- 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 2019.)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	As at End of Current Year Quarter 31.03.2020 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2019 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	40,563	38,986
Right-of-use assets	2,294	2,398
Investment properties	23,469	23,469
Goodwill on consolidation	641	641
Total Non-Current Assets	66,967	65,494
Current Assets		
Inventories	1,156	1,024
Trade and other receivables	8,784	9,178
Tax recoverable	236	165
Short-term investments	14,310	13,634
Cash and bank balances	3,864	3,625
Total Current Assets	28,350	27,626
TOTAL ASSETS	95,317	93,120
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	37,293	36,537
	62,493	61,737
Non-controlling interests	771	917
Total Equity	63,264	62,654
Non-Current Liabilities		
Long term borrowings (secured)	20,846	20,830
Deferred taxation	3,149	3,149
	23,995	23,979
Current Liabilities		
Trade and other payables	5,630	3,913
Bank overdraft	97	100
Short term borrowings (secured)	2,089	2,127
Provision for taxation	242	347
	8,058	6,487
Total Liabilities	32,053	30,466
TOTAL EQUITY AND LIABILITIES	95,317	93,120
Net assets per share attributable to owners of the Company (RM)	0.25	0.25

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019.)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 1ST QUARTER ENDED 31 MARCH 2020

	<----- 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>3 Months Ended 31 March 2020</u>						
<u>(Unaudited)</u>						
Balance as at 1 January 2020	25,200	16,966	19,571	61,737	917	62,654
Total comprehensive income for the financial period	-	-	756	756	54	810
Dividend - By subsidiary to non-controlling interests	-	-	-	-	(200)	(200)
Balance as at 31 March 2020	<u>25,200</u>	<u>16,966</u>	<u>20,327</u>	<u>62,493</u>	<u>771</u>	<u>63,264</u>

3 Months Ended 31 March 2019

<u>(Audited)</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	-	-	1,133	1,133	7	1,140
Balance as at 31 March 2019	<u>25,200</u>	<u>14,987</u>	<u>18,890</u>	<u>59,077</u>	<u>849</u>	<u>59,926</u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019.)

BRITE-TECH BERHAD

Registration No. 200101014455 (550212-U)

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 1ST QUARTER ENDED 31 MARCH 2020**

	3 Months Period Ended 31.03.2020 (Unaudited) RM'000	3 Months Corresponding Period Ended 31.03.2019 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	1,054	1,532
Adjustments for:		
Depreciation	376	398
Finance costs	225	144
Finance income	(98)	(101)
Bad debts written off	-	10
Operating profit before working capital changes	<u>1,557</u>	<u>1,983</u>
Changes in working capital:		
Inventories	(132)	73
Trade & other receivables	394	(325)
Trade & other payables	1,717	504
Cash from operations	<u>3,536</u>	<u>2,235</u>
Interest received	98	101
Interest paid	(225)	(144)
Income tax refund	-	-
Income tax paid	(420)	(78)
Net cash from operating activities	<u>2,989</u>	<u>2,114</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,846)	(179)
Proceeds from disposal of property, plant and equipment	(3)	-
Net cash used in investing activities	<u>(1,849)</u>	<u>(179)</u>
Cash flows from financing activities		
Repayment of loan and borrowings, net of drawdown	(22)	(542)
Dividend paid to non-controlling interest	(200)	-
Net cash used in financing activities	<u>(222)</u>	<u>(542)</u>
Net changes in cash and cash equivalents	918	1,393
Cash and cash equivalent at beginning of period	<u>17,159</u>	<u>14,373</u>
Cash and cash equivalent at end of period	<u><u>18,077</u></u>	<u><u>15,766</u></u>
Cash and cash equivalents comprise the following:		
Short-term investments and fixed deposits	14,310	11,959
Cash and bank balances	3,864	3,906
Bank overdraft	(97)	(99)
Cash and cash equivalents at end of the period	<u><u>18,077</u></u>	<u><u>15,766</u></u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019.)

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 2019. 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 2019.

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 2019, except as below:

Amendments to MFRS 3, Business Combinations – Definition of a Business

Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material

Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures – Interest Rate Benchmark Reform

Amendments to References to the Conceptual Framework in MFRS Standards

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 2019 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

There was no dividend paid for the current quarter under review.

A6 Material Changes in Estimates Used

There were no significant changes in the nature and amount of estimates used in prior interim reporting period or prior financial years that have a material effect in the current quarter under review.

A7 Debt and Equity Securities

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current quarter under review.

A8 Segmental Information

Segment revenue and segment results for the financial period ended 31 March 2020 by the respective operating segments are as follows:

Financial Period Ended 31.03.2020	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	5,314	691	-	-	6,005
Inter-segment revenue	38	2	425	(465)	-
Total revenue	<u>5,352</u>	<u>693</u>	<u>425</u>	<u>(465)</u>	<u>6,005</u>
RESULT					
Segment results (external)	1,321	190	(330)	-	1,181
Finance income	53	12	33	-	98
Finance costs	(208)	(17)	-	-	(225)
Profit before taxation	<u>1,166</u>	<u>185</u>	<u>(297)</u>	<u>-</u>	<u>1,054</u>
Taxation					(244)
Profit for the period					<u>810</u>
Non-controlling interests					(54)
Profit attributable to Owners of the Company					<u><u>756</u></u>

Financial Period Ended 31.03.2019	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	5,690	863	-	-	6,553
Inter-segment revenue	57	10	425	(492)	-
Total revenue	<u>5,747</u>	<u>873</u>	<u>425</u>	<u>(492)</u>	<u>6,553</u>
RESULT					
Segment results (external)	1,725	180	(330)	-	1,575
Finance income	53	18	30	-	101
Finance costs	(136)	(8)	-	-	(144)
Profit before taxation	<u>1,642</u>	<u>190</u>	<u>(300)</u>	<u>-</u>	<u>1,532</u>
Taxation					(392)
Profit for the period					<u>1,140</u>
Non-controlling interests					(7)
Profit attributable to Owners of the Company					<u><u>1,133</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

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Malaysia and around the world. On 16 March 2020, the Malaysian Prime Minister announced Movement Control Order ("MCO") which includes closure of all government and private premises except those involved in essential services effective 18 March 2020, through 14 April 2020 which was further extended to 12 May 2020 thereafter. The MCO may impact the Group and the Company's operations and overall business by delaying their business activities. There is uncertainty as to the duration and hence the potential impact. The directors of Group and the Company are unable to estimate the potential impact on their business as of the date of this financial statements and therefore the financial statements do not include any adjustments that might result from the outcome of this uncertainty.

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 31 March 2020; 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 2019.

A15 Capital Commitments

After having made all reasonable enquiries and save as disclosed below, as at the end of the financial year, the Board is not aware of any material commitment for capital expenditure incurred or known to be incurred by the Group that has not been provided for which, upon becoming enforceable, may have a material impact on the financial results / position of the Group:

	31.03.2020 (Unaudited) RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	2,711
- 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 31.03.2020 RM'000	Cumulative Year To Date 31.03.2020 RM'000
Management fees	425	425
Rental	41	41
Revenue	40	40

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 31.03.2020 RM'000	Preceding Year Corresponding Quarter Ended 31.03.2019 RM'000	Changes Amount RM'000	Changes %	Current Year-To-Date 31.03.2020 RM'000	Preceding Year-To-Date 31.03.2019 RM'000	Changes Amount RM'000	Changes %
Revenue	6,005	6,553	(548)	(8.36)	6,005	6,553	(548)	(8.36)
Operating Profit	1,181	1,575	(394)	(25.02)	1,181	1,575	(394)	(25.02)
Profit Before Tax	1,054	1,532	(478)	(31.20)	1,054	1,532	(478)	(31.20)
Profit After Tax	810	1,140	(330)	(28.95)	810	1,140	(330)	(28.95)
Profit Attributable to: Owners of the Company	756	1,133	(377)	(33.27)	756	1,133	(377)	(33.27)
Non-Controlling Interest	54	7	47	671.43	54	7	47	671.43

The Group's revenue for the current quarter ended 31 March 2020 showed an decrease of 8.36% to RM6.005 million from RM6.553 million in the preceding corresponding year's quarter. The Group's profit before tax decreased by 31.20% to RM1.054 million as against preceding corresponding year's quarter of RM1.532 million.

The Group's revenue for the current financial year-to-date ended 31 March 2020 showed an decrease of 8.36% to RM6.005 million from RM6.553 million in the preceding corresponding year's financial year-to-date. The Group's profit before tax decreased by 31.20% to RM1.054 million as against preceding corresponding financial year-to-date of RM1.532 million.

The decrease in the Group's profit before tax for the current quarter and current financial year-to-date was mainly due to lower revenue achieved, resulting from the closure of premises and suspension of business activities of the Group during the implementation of the movement control order effective from 18 March 2020.

Environmental products and services

This segment is the main contributor for the financial period ended 31 March 2020 as it comprised 88.49% of the total revenue.

For the financial period ended 31 March 2020, the revenue in environmental products and services decreased by RM0.395 million or 6.87% to RM5.352 million as compared to RM5.747 million reported in the corresponding financial period ended 31 March 2019. The profit before tax for the financial period ended 31 March 2020 decreased by RM0.476 million or 28.99% to RM1.166 million as compared to RM1.642 million reported in the corresponding financial period

System equipment and ancillary products

This segment comprised 11.51% of the total revenue for the financial period ended 31 March 2020.

For the financial period ended 31 March 2020, the revenue in system equipment and ancillary products decreased by RM0.18 million or 20.62% to RM0.693 million as compared to RM0.873 million reported in the corresponding financial period ended 31 March 2019. The profit before tax for the financial period ended 31 March 2020 decreased by RM0.05 million or 2.63% to RM0.185 million as compared to RM0.19 million reported in the corresponding financial period ended 31 March 2019.

The results of the current quarter and financial year-to-date under review have not been affected by any transactions or events of a material or unusual nature.

B2 Variation of Results Against Immediate Preceding Quarter

	Current Year Quarter 31.03.2020 RM'000	Immediate Preceding Quarter 31.12.2019 RM'000	Changes Amount RM'000	Changes %
Revenue	6,005	6,987	(982)	(14.05)
Operating Profit	1,181	2,613	(1,432)	(54.80)
Profit Before Tax	1,054	2,515	(1,461)	(58.09)
Profit After Tax	810	2,574	(1,764)	(68.53)
Profit Attributable to: Owners of the Company	756	2,526	(1,770)	(70.07)
Non-Controlling Interest	54	48	6	12.50

For the current quarter under review, the Group recorded revenue of RM6.005 million, representing a decrease of 14.05% from the immediate preceding quarter's revenue of RM6.987 million. The Group's profit before tax for the current quarter decreased by 58.09% to RM1.054 million as compared to the preceding quarter.

B3 Prospects for the Financial Year 2020

The Group expects the year ahead to be challenging with the unprecedented outbreak of the COVID-19 pandemic and the effects related to implementation of the movement control order which will undeniably have an adverse impact to business in Malaysia including our Group.

Despite such challenges, the Group believes that the Group shall be able to ride through this difficult time with the resources the Group has and efforts taken by the Group. The Group has resumed normal business operations with modifications where necessary to implement the required Standard Operating Procedures.

The Group maintains a positive outlook for the business activities that the Group are involved in. 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 31.03.2020 RM'000	Preceding Year Corresponding Quarter 31.03.2019 RM'000	Current Year-To-Date 31.03.2020 RM'000	Preceding Year-To-Date 31.03.2019 RM'000
Income and deferred tax				
-Current	254	392	254	392
-Over provision in prior year	(10)	-	(10)	-
	<u>244</u>	<u>392</u>	<u>244</u>	<u>392</u>

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 31.03.2020 (Unaudited) RM'000	Current Year-To-Date 31.03.2020 (Unaudited) RM'000
Other operating income:		
Rental income	247	247
Bad debts recovered	5	5
Operating expense:		
Depreciation	376	376

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

B7 Status of Corporate Proposals

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

B8 Borrowings

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

	Current Year Quarter 31.03.2020 RM'000
Short term borrowings (Secured)	2,186
Long term borrowings (Secured)	20,846
Total	<u>23,032</u>

Bank overdraft of RM 0.1 million has been included as short term borrowings.

The Group has no unsecured borrowings in the current quarter under review.

The Group's borrowings are all denominated in Ringgit Malaysia.

B9 Changes in Material Litigation

The Company had on 13 February 2020 announced that its counsel attended the case management in the Court of Appeal (“the Court”) on 12 February 2020 and the case management was conducted by the Deputy Registrar of the Court of Appeal.

The solicitors for the Appellant (Mr Chan Ah Kien) informed the Court that the Record of Appeal and Supplementary Record of Appeal have been filed and served on the Company and Brite-Tech Corporation Sdn. Bhd. The Company’s counsel confirmed the same.

The Court subsequently directed as follows:–

- a) The Common Core Bundles are to be filed if the Record of Appeal exceeds more than five (5) volumes;
- b) Written submissions are to be filed two (2) weeks before the date of the hearing of the Appeal. In the event that the submissions exceed thirty (30) pages, parties are to file an executive summary of not more than five (5) pages; and
- c) The hearing of the Appeal is fixed on 1 October 2020.

B10 Earnings Per Share

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

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 31.03.2020	Preceding Year Corresponding Quarter 31.03.2019	Current Year-To-Date 31.03.2020	Preceding Year-To-Date 31.03.2019
Profits attributable to owners of the Company (RM'000)	756	1,133	756	1,133
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.30	0.45	0.30	0.45
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

- a) No dividend has been proposed for the financial period ended 31 March 2020.
- b) The Board of Directors is proposing a final single tier dividend on ordinary share of 0.80 sen per share amounting to RM2,016,000 in respect of the financial year ended 31 December 2019 (2018: 0.80 sen per share), subject to approval by shareholders at the forthcoming Annual General Meeting.

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 June 2020