

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

CONTENTS

	Page
CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	1
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	2
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	3
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS	4
NOTES TO THE INTERIM FINANCIAL STATEMENTS	5 - 7
ADDITIONAL INFORMATION REQUIRED BY BURSA MALAYSIA SECURITIES LISTING REQUIREMENT (APPENDIX 9B)	8 - 11

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2020

	<----- Individual Quarter ----->		<----- Cumulative Quarters ----->	
	Current Quarter Ended 30.09.2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.09.2019 (Unaudited) RM'000	Current Year-To-Date 30.09.2020 (Unaudited) RM'000	Preceding Year-To-Date 30.09.2019 (Unaudited) RM'000
Revenue	6,742	7,313	17,642	20,868
Operating expenses	(4,749)	(5,783)	(13,737)	(16,805)
Other operating income	660	305	1,518	727
Profit from operating activities	2,653	1,835	5,423	4,790
Finance income	93	127	308	330
Finance costs	(185)	(209)	(618)	(519)
Profit before tax	2,561	1,753	5,113	4,601
Taxation	(618)	(416)	(1,220)	(1,157)
Profit for the period	1,943	1,337	3,893	3,444
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	1,943	1,337	3,893	3,444
Total comprehensive income for the period				
Owners of the Company	1,903	1,295	3,747	3,333
Non-controlling interests	40	42	146	111
	1,943	1,337	3,893	3,444
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	0.76	0.51	1.49	1.32
- 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 30 SEPTEMBER 2020

	As at End of Current Year Quarter 30.09.2020 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2019 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	43,114	38,986
Right-of-use assets	1,836	2,398
Investment properties	23,469	23,469
Goodwill on consolidation	641	641
Total Non-Current Assets	69,060	65,494
Current Assets		
Inventories	1,128	1,024
Trade and other receivables	8,643	9,178
Tax recoverable	191	165
Short-term investments	13,853	13,634
Cash and bank balances	2,871	3,625
Total Current Assets	26,686	27,626
TOTAL ASSETS	95,746	93,120
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	36,252	36,537
	61,452	61,737
Non-controlling interests	863	917
Total Equity	62,315	62,654
Non-Current Liabilities		
Long term borrowings (secured)	25,634	20,830
Deferred taxation	3,149	3,149
	28,783	23,979
Current Liabilities		
Trade and other payables	3,031	3,913
Amount due to director	10	-
Bank overdraft	98	100
Short term borrowings (secured)	832	2,127
Provision for taxation	677	347
	4,648	6,487
Total Liabilities	33,431	30,466
TOTAL EQUITY AND LIABILITIES	95,746	93,120
Net assets per share attributable to owners of the Company (RM)	0.24	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 3RD QUARTER ENDED 30 SEPTEMBER 2020

	<----- Attributable to owners of the Company ----->			Total Shareholders' Equity RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	<----- Non-distributable----->	<-Distributable ->				
	Share Capital RM'000	Revaluation Reserves RM'000	Retained Profits RM'000			
<u>9 Months Ended 30 September 2020 (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	-	-	3,747	3,747	146	3,893
Dividend paid in respect of financial year ended 31 December 2019	-	-	(2,016)	(2,016)	-	(2,016)
Interim dividend paid on 25 September 2020	-	-	(2,016)	(2,016)	-	(2,016)
Dividend - By subsidiary to non-controlling interests	-	-	-	-	(200)	(200)
Balance as at 30 September 2020	<u>25,200</u>	<u>16,966</u>	<u>19,286</u>	<u>61,452</u>	<u>863</u>	<u>62,315</u>

9 Months Ended 30 September 2019 (Unaudited)

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 on 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	<u>25,200</u>	<u>14,987</u>	<u>17,058</u>	<u>57,245</u>	<u>753</u>	<u>57,998</u>

BRITE-TECH BERHAD

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 3RD QUARTER ENDED 30 SEPTEMBER 2020**

	9 Months Period Ended 30.09.2020 (Unaudited) RM'000	9 Months Corresponding Period Ended 30.09.2019 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	5,113	4,601
Adjustments for:		
Depreciation	1,087	1,213
Finance costs	618	519
Finance income	(308)	(330)
Operating profit before working capital changes	<u>6,510</u>	<u>6,003</u>
Changes in working capital:		
Inventories	(104)	(278)
Trade & other receivables	535	(2,263)
Trade & other payables	(882)	1,464
Cash from operations	<u>6,059</u>	<u>4,926</u>
Interest received	308	330
Interest paid	(618)	(519)
Income tax paid	(916)	(802)
Net cash from operating activities	<u>4,833</u>	<u>3,935</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,660)	(474)
Proceeds from disposal of property, plant and equipment	7	16
Net cash used in investing activities	<u>(4,653)</u>	<u>(458)</u>
Cash flows from financing activities		
Drawdown of loan and borrowings, net of repayment	3,509	2,482
Advance from directors	10	4
Dividend paid to owners of the Company	(4,032)	(4,032)
Dividend paid to non-controlling interest	(200)	(200)
Net cash used in financing activities	<u>(713)</u>	<u>(1,746)</u>
Net changes in cash and cash equivalents	(533)	1,731
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>16,626</u></u>	<u><u>16,104</u></u>
Cash and cash equivalents comprise the following:		
Short-term investments and fixed deposits	13,853	12,657
Cash and bank balances	2,871	3,547
Bank overdraft	(98)	(100)
Cash and cash equivalents at end of the period	<u><u>16,626</u></u>	<u><u>16,104</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

A first interim single-tier dividend on ordinary share of 0.80 sen per share amounting to RM2,016,000 (2019: RM2,016,000) in respect of the financial year ending 31 December 2020 has been paid by the Company on 25 September 2020 to shareholders whose names appear in the Register of Depositors at the close of business on 14 September 2020.

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 2020 by the respective operating segments are as follows:

Financial Period Ended 30.09.2020	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	15,452	2,190	-	-	17,642
Inter-segment revenue	142	2	1,174	(1,318)	-
Total revenue	<u>15,594</u>	<u>2,192</u>	<u>1,174</u>	<u>(1,318)</u>	<u>17,642</u>
RESULT					
Segment results (external)	5,698	844	(1,119)	-	5,423
Finance income	178	39	91	-	308
Finance costs	(598)	(20)	-	-	(618)
Profit before taxation	<u>5,278</u>	<u>863</u>	<u>(1,028)</u>	<u>-</u>	<u>5,113</u>
Taxation					(1,220)
Profit for the period					<u>3,893</u>
Non-controlling interests					(146)
Profit attributable to Owners of the Company					<u>3,747</u>

Financial Period Ended 30.09.2019	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	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)
Impairment of goodwill				-	-
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>3,333</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 Events

Brite-Tech Corporation Sdn. Berhad ("BCSB"), a wholly owned subsidiary of the Company, has on 8 October 2020 entered into two Sale and Purchase Agreements ("SPA") to acquire two pieces of vacant industrial lands ("lands") in Mukim Kapar, Daerah Klang, Selangor Darul Ehsan for a total purchase price of RM 10,262,376 upon the terms and conditions as stipulated in the SPA, for investment and/or development purpose.

BCSB has also on 6 November 2020 accepted additional Term Financing Facilities of RM16,400,000.00 granted by Hong Leong Islamic Bank Berhad with corporate guarantee by the Company, to part finance the construction cost of two units of single storey factory cum 3 storey office to be erected on the lands and also to part finance the purchase of the lands.

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 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 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 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:

	30.09.2020 (Unaudited) RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	10,332
- Approved but not contracted for	8,472

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 30.09.2020 RM'000	Cumulative Year To Date 30.09.2020 RM'000
Management fees	374	1,173
Rental	40	122
Revenue	43	143

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 30.09.2020 RM'000	Preceding Year Corresponding Quarter Ended 30.09.2019 RM'000	Changes Amount RM'000	Changes %	Current Year-To-Date 30.09.2020 RM'000	Preceding Year-To-Date 30.09.2019 RM'000	Changes Amount RM'000	Changes %
Revenue	6,742	7,313	(571)	(7.81)	17,642	20,868	(3,226)	(15.46)
Operating Profit	2,653	1,835	818	44.58	5,423	4,790	633	13.22
Profit Before Tax	2,561	1,753	808	46.09	5,113	4,601	512	11.13
Profit After Tax	1,943	1,337	606	45.33	3,893	3,444	449	13.04
Profit Attributable to: Owners of the Company	1,903	1,295	608	46.95	3,747	3,333	414	12.42
Non-Controlling Interest	40	42	(2)	(4.76)	146	111	35	31.53

The Group's revenue for the current quarter ended 30 September 2020 showed a decrease of 7.81% to RM6.742 million from RM7.313 million in the preceding corresponding year's quarter. The Group's profit before tax increased by 46.09% to RM2.561 million as against preceding corresponding year's quarter of RM1.753 million.

The Group's revenue for the current financial year-to-date ended 30 September 2020 showed a decrease of 15.46% to RM17.642 million from RM20.868 million in the preceding corresponding year's financial year-to-date. The Group's profit before tax increased by 11.13% to RM5.113 million as against preceding corresponding financial year-to-date of RM4.601 million.

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

Environmental products and services

This segment is the main contributor for the financial period ended 30 September 2020 as it comprised 87.59% of the total revenue.

For the financial period ended 30 September 2020, the revenue in environmental products and services decreased by RM2.679 million or 14.66% to RM15.594 million as compared to RM18.273 million reported in the corresponding financial period ended 30 September 2019. The profit before tax for the financial period ended 30 September 2020 was same as RM5.278 million reported in the corresponding financial period ended 30 September 2019.

System equipment and ancillary products

This segment comprised 12.41% of the total revenue for the financial period ended 30 September 2020.

For the financial period ended 30 September 2020, the revenue in system equipment and ancillary products decreased by RM0.61 million or 21.77% to RM2.192 million as compared to RM2.802 million reported in the corresponding financial period ended 30 September 2019. The profit before tax for the financial period ended 30 September 2020 increased by RM0.272 million or 46.02% to RM0.863 million as compared to RM0.591 million reported in the corresponding financial period ended 30 September 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 30.09.2020 RM'000	Immediate Preceding Quarter 30.06.2020 RM'000	Changes Amount RM'000	Changes %
Revenue	6,742	4,895	1,847	37.73
Operating Profit	2,653	1,589	1,064	66.96
Profit Before Tax	2,561	1,498	1,063	70.96
Profit After Tax	1,943	1,140	803	70.44
Profit Attributable to: Owners of the Company	1,903	1,088	815	74.91
Non-Controlling Interest	40	52	(12)	(23.08)

For the current quarter under review, the Group recorded revenue of RM6.742 million, representing a increase of 37.73% from the immediate preceding quarter's revenue of RM4.895 million. The Group's profit before tax for the current quarter increased by 70.96% to RM2.561 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 conditional 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 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000	Current Year-To-Date 30.09.2020 RM'000	Preceding Year-To-Date 30.09.2019 RM'000
Income and deferred tax				
-Current	618	416	1,230	1,157
-Over provision in prior year	-	-	(10)	-
	<u>618</u>	<u>416</u>	<u>1,220</u>	<u>1,157</u>

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 30.09.2020 (Unaudited) RM'000	Current Year-To-Date 30.09.2020 (Unaudited) RM'000
Other operating income:		
Rental income	199	715
Bad debts recovered	14	74
Operating expense:		
Depreciation	356	1,087

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 30.09.2020 RM'000
Short term borrowings (Secured)	930
Long term borrowings (Secured)	25,634
Total	<u>26,564</u>

Bank overdraft of RM 0.98 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 1 October 2020 announced that that its counsel appeared before the Court of Appeal on 1 October 2020 for the hearing of Mr Chan Ah Kien's ("the Appellant") appeal against the High Court's decision of 14 October 2019.

Upon hearing counsel, the Court of Appeal dismissed the appeal with costs of RM10,000 each to be paid by the Appellant to the Company and Brite-Tech Corporation Sdn. Bhd.

The Appellant has thirty (30) days from 1 October 2020 to file an application for leave to appeal (against the Court of Appeal's decision) to the Federal Court.

The Company further updated on 4 November 2020 that further to the Court of Appeal decision dated 1 October 2020 which dismissed the Appellant's appeal against the decision of the High Court, the time limited for the Appellant to file an application for leave to appeal to the Federal Court expired on 1 November 2020 with no such application having been filed.

As such, the decisions of the High Court and Court of Appeal remain on record in respect of the Litigation and with no rights of further appeal, the dispute is accordingly at an end.

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 30.09.2020	Preceding Year Corresponding Quarter 30.09.2019	Current Year-To-Date 30.09.2020	Preceding Year-To-Date 30.09.2019
Profits attributable to owners of the Company (RM'000)	1,903	1,295	3,747	3,333
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.76	0.51	1.49	1.32
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 2020.

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 November 2020