

BRITE-TECH BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2020

	<----- Individual Quarter ----->		<----- Cumulative Quarters ----->	
	Current Quarter Ended 31.12.2020 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 31.12.2019 (Unaudited) RM'000	Current Year-To-Date 31.12.2020 (Unaudited) RM'000	Preceding Year-To-Date 31.12.2019 (Unaudited) RM'000
Revenue	6,631	6,987	24,273	27,855
Operating expenses	(5,764)	(5,603)	(19,501)	(22,408)
Other operating income	615	1,229	2,133	1,956
Profit from operating activities	1,482	2,613	6,905	7,403
Finance income	76	113	384	443
Finance costs	(132)	(211)	(750)	(730)
Profit before tax	1,426	2,515	6,539	7,116
Taxation	(435)	59	(1,655)	(1,098)
Profit for the period	991	2,574	4,884	6,018
Other comprehensive income for the period, net of tax	7,606	2,295	7,606	2,295
Total comprehensive income for the period	8,597	4,869	12,490	8,313
Total comprehensive income for the period				
Owners of the Company	8,549	4,745	12,296	8,078
Non-controlling interests	48	124	194	235
	8,597	4,869	12,490	8,313
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	0.37	1.00	1.86	2.33
- 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 DECEMBER 2020

	As at End of Current Year Quarter 31.12.2020 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2019 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	52,655	38,986
Right-of-use assets	1,947	2,398
Investment properties	32,984	23,469
Goodwill on consolidation	641	641
Total Non-Current Assets	88,227	65,494
Current Assets		
Inventories	1,114	1,024
Trade and other receivables	6,763	9,178
Tax recoverable	310	165
Short-term investments	14,575	13,634
Cash and bank balances	3,106	3,625
Total Current Assets	25,868	27,626
TOTAL ASSETS	114,095	93,120
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	44,801	36,537
	70,001	61,737
Non-controlling interests	711	917
Total Equity	70,712	62,654
Non-Current Liabilities		
Long term borrowings (secured)	24,751	20,830
Deferred taxation	4,457	3,149
	29,208	23,979
Current Liabilities		
Trade and other payables	12,036	3,913
Amount due to director	12	-
Bank overdraft	99	100
Short term borrowings (secured)	1,682	2,127
Provision for taxation	346	347
	14,175	6,487
Total Liabilities	43,383	30,466
TOTAL EQUITY AND LIABILITIES	114,095	93,120
Net assets per share attributable to owners of the Company (RM)	0.28	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 4TH QUARTER ENDED 31 DECEMBER 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>12 Months Ended 31 December 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	-	7,606	4,690	12,296	194	12,490
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	-	-	-	-	(400)	(400)
Balance as at 31 December 2020	<u>25,200</u>	<u>24,572</u>	<u>20,229</u>	<u>70,001</u>	<u>711</u>	<u>70,712</u>
<u>12 Months Ended 31 December 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	-	2,219	5,859	8,078	235	8,313
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 31 December 2019	<u>25,200</u>	<u>17,206</u>	<u>19,584</u>	<u>61,990</u>	<u>877</u>	<u>62,867</u>

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2020

	12 Months Period Ended 31.12.2020 (Unaudited) RM'000	12 Months Corresponding Period Ended 31.12.2019 (Audited) RM'000
Cash flows from operating activities		
Profit before taxation	6,539	7,154
Adjustments for:		
Amortisation of rental deposit	7	-
Depreciation	1,417	1,561
Finance costs	750	739
Finance income	(384)	(443)
Gain on disposal of property, plant and equipment	-	(16)
Loss/(Gain) on fair value adjustment of investment properties	540	(1,082)
Impairment loss on receivables	248	348
Inventories written off	-	71
Property, plant and equipment written off	-	36
Reversal of impairment loss on receivables	-	(253)
Unwinding of discount on deposit received	-	(14)
Operating profit before working capital changes	<u>9,117</u>	<u>8,101</u>
Changes in working capital:		
Inventories	(90)	43
Trade & other receivables	2,160	(467)
Trade & other payables	8,123	874
Cash from operations	<u>19,310</u>	<u>8,551</u>
Interest received	384	443
Interest paid	(750)	(739)
Income tax refund	-	52
Income tax paid	(1,756)	(1,200)
Net cash from operating activities	<u>17,188</u>	<u>7,107</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,766)	(564)
Purchase of investment properties	(10,055)	-
Proceeds from disposal of property, plant and equipment	-	17
Net cash used in investing activities	<u>(15,821)</u>	<u>(547)</u>
Cash flows from financing activities		
Advance from/(Repayments to) directors	12	(6)
Drawdown of loan and borrowings, net of repayment	3,476	464
Dividend paid to owners of the Company	(4,032)	(4,032)
Dividend paid to non-controlling interest	(400)	(200)
Net cash used in financing activities	<u>(944)</u>	<u>(3,774)</u>
Net changes in cash and cash equivalents	423	2,786
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>17,582</u></u>	<u><u>17,159</u></u>
Cash and cash equivalents comprise the following:		
Short-term investments and fixed deposits	14,575	13,634
Cash and bank balances	3,106	3,625
Bank overdraft	(99)	(100)
Cash and cash equivalents at end of the period	<u><u>17,582</u></u>	<u><u>17,159</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 31 December 2020 by the respective operating segments are as follows:

<u>Financial Period Ended 31.12.2020</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	21,353	2,920	-	-	24,273
Inter-segment revenue	208	5	1,548	(1,761)	-
Total revenue	<u>21,561</u>	<u>2,925</u>	<u>1,548</u>	<u>(1,761)</u>	<u>24,273</u>
RESULT					
Segment results (external)	7,453	1,061	(1,612)	3	6,905
Finance income	222	51	111	-	384
Finance costs	(689)	(61)	-	-	(750)
Profit before taxation	<u>6,986</u>	<u>1,051</u>	<u>(1,501)</u>	<u>-</u>	<u>6,539</u>
Taxation					(1,655)
Profit for the period					<u>4,884</u>
Non-controlling interests					(194)
Profit attributable to Owners of the Company					<u><u>4,690</u></u>

<u>Financial Period Ended 31.12.2019</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	24,348	3,507	-	-	27,855
Inter-segment revenue	254	20	1,700	(1,974)	-
Total revenue	<u>24,602</u>	<u>3,527</u>	<u>1,700</u>	<u>(1,974)</u>	<u>27,855</u>
RESULT					
Segment results (external)	8,597	580	(1,774)	-	7,403
Finance income	228	66	149	-	443
Finance costs	(655)	(75)	-	-	(730)
Profit before taxation	<u>8,170</u>	<u>571</u>	<u>(1,625)</u>	<u>-</u>	<u>7,116</u>
Taxation					(1,098)
Profit for the period					<u>6,018</u>
Non-controlling interests					(159)
Profit attributable to Owners of the Company					<u><u>5,859</u></u>

A9 Valuations of Properties

During the current quarter under review, the Group has carried out revaluation for its properties by Nasir, Sabaruddin & Associates Sdn Bhd, an external independent firm of professional valuer registered with the Board of Valuers, Appraisers and Estate Agents Malaysia, to ascertain the current market value of the properties for accounting purposes based on the Comparison Method of Valuation.

A10 Material Subsequent Events

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 31 December 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:

	31.12.2020 (Unaudited) RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	-
- 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 31.12.2020 RM'000	Cumulative Year To Date 31.12.2020 RM'000
Management fees	375	1,548
Rental	40	162
Revenue	70	213

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 31.12.2020 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2019 RM'000	Changes Amount RM'000	Changes %	Current Year-To-Date 31.12.2020 RM'000	Preceding Year-To-Date 31.12.2019 RM'000	Changes Amount RM'000	Changes %
Revenue	6,631	6,987	(356)	(5.10)	24,273	27,855	(3,582)	(12.86)
Operating Profit	1,482	2,613	(1,131)	(43.28)	6,905	7,403	(498)	(6.73)
Profit Before Tax	1,426	2,515	(1,089)	(43.30)	6,539	7,116	(577)	(8.11)
Profit After Tax	991	2,574	(1,583)	(61.50)	4,884	6,018	(1,134)	(18.84)
Profit Attributable to: Owners of the Company	943	2,526	(1,583)	(62.67)	4,690	5,859	(1,169)	(19.95)
Non-Controlling Interest	48	48	-	-	194	159	35	22.01

The Group's revenue for the current quarter ended 31 December 2020 showed a decrease of 5.10% to RM6.631 million from RM6.987 million in the preceding corresponding year's quarter. The Group's profit before tax decreased by 43.30% to RM1.426 million as against preceding corresponding year's quarter of RM2.515 million.

The Group's revenue for the current financial year-to-date ended 31 December 2020 showed a decrease of 12.86% to RM24.273 million from RM27.855 million in the preceding corresponding year's financial year-to-date. The Group's profit before tax decreased by 8.11% to RM6.539 million as against preceding corresponding financial year-to-date of RM7.116 million.

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

Environmental products and services

This segment is the main contributor for the financial period ended 31 December 2020 as it comprised 87.97% of the total revenue.

For the financial period ended 31 December 2020, the revenue in environmental products and services decreased by RM3.041 million or 12.36% to RM21.561 million as compared to RM24.602 million reported in the corresponding financial period ended 31 December 2019. The profit before tax for the financial period ended 31 December 2020 was decreased by RM1.184 million or 14.49% to RM6.986 million as compared to RM8.170 million reported in the corresponding financial period ended 31 December 2019.

System equipment and ancillary products

This segment comprised 12.03% of the total revenue for the financial period ended 31 December 2020.

For the financial period ended 31 December 2020, the revenue in system equipment and ancillary products decreased by RM0.602 million or 17.07% to RM2.925 million as compared to RM3.527 million reported in the corresponding financial period ended 31 December 2019. The profit before tax for the financial period ended 31 December 2020 increased by RM0.48 million or 84.06% to RM1.051 million as compared to RM0.571 million reported in the corresponding financial period ended 31 December 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 31.12.2020 RM'000	Immediate Preceding Quarter 30.09.2020 RM'000	Changes Amount RM'000	Changes %
Revenue	6,631	6,742	(111)	(1.65)
Operating Profit	1,482	2,653	(1,171)	(44.14)
Profit Before Tax	1,426	2,561	(1,135)	(44.32)
Profit After Tax	991	1,943	(952)	(49.00)
Profit Attributable to: Owners of the Company	943	1,903	(960)	(50.45)
Non-Controlling Interest	48	40	8	20.00

For the current quarter under review, the Group recorded revenue of RM6.631 million, representing a decrease of 1.65% from the immediate preceding quarter's revenue of RM6.742 million. The Group's profit before tax for the current quarter decreased by 44.32% to RM1.426 million as compared to the preceding quarter.

B3 Prospects for the Financial Year 2021

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 2.0 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 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year-To-Date 31.12.2020 RM'000	Preceding Year-To-Date 31.12.2019 RM'000
Income and deferred tax				
-Current	363	(36)	1,593	1,121
-Under/(over) provision in prior year	72	(23)	62	(23)
	<u>435</u>	<u>(59)</u>	<u>1,655</u>	<u>1,098</u>

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 31.12.2020 (Unaudited) RM'000	Current Year-To-Date 31.12.2020 (Unaudited) RM'000
Other operating income:		
Bad debts recovered	213	287
Rental income	218	933
Written off inventory recovered	61	61
Operating expense:		
Depreciation	330	1,417
Impairment loss on trade and other receivables	248	248
Loss on fair value adjustment on investment property	540	540

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 31.12.2020 RM'000
Short term borrowings (Secured)	1,781
Long term borrowings (Secured)	24,751
Total	<u>26,532</u>

Bank overdraft of RM 0.99 million has been included as short term borrowings.

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

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

B9 Changes in Material Litigation

There were no pending material litigation which would materially and adversely affect the financial position of the Group and of the Company at the date of this announcement.

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 31.12.2020	Preceding Year Corresponding Quarter 31.12.2019	Current Year-To-Date 31.12.2020	Preceding Year-To-Date 31.12.2019
Profits attributable to owners of the Company (RM'000)	943	2,526	4,690	5,859
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.37	1.00	1.86	2.33
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 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 2020 (2019: 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

25 February 2021