

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

UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 JUNE 2022

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 2ND QUARTER ENDED 30 JUNE 2022

	<----- Individual Quarter ----->		<----- Cumulative Quarters ----->	
	Current Quarter Ended 30.06.2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 30.06.2021 (Unaudited) RM'000	Current Year-To-Date 30.06.2022 (Unaudited) RM'000	Preceding Year-To-Date 30.06.2021 (Unaudited) RM'000
Revenue	6,319	5,931	12,462	12,163
Operating expenses	(5,128)	(4,614)	(9,953)	(9,555)
Other operating income	671	491	1,319	736
Profit from operating activities	1,862	1,808	3,828	3,344
Finance income	103	80	193	130
Finance costs	(291)	(238)	(576)	(569)
Profit before tax	1,674	1,650	3,445	2,905
Taxation	(452)	(379)	(900)	(823)
Profit for the period	1,222	1,271	2,545	2,082
Total comprehensive income for the period	1,222	1,271	2,545	2,082
Total comprehensive income for the period				
Owners of the Company	1,254	1,247	2,587	2,102
Non-controlling interests	(32)	24	(42)	(20)
	<u>1,222</u>	<u>1,271</u>	<u>2,545</u>	<u>2,082</u>
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	<u>0.50</u>	<u>0.49</u>	<u>1.03</u>	<u>0.83</u>
- Diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	As at End of Current Year Quarter 30.06.2022 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2021 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	21,332	21,431
Right-of-use assets	1,971	2,091
Investment properties	76,500	67,853
Goodwill on consolidation	641	641
Total Non-Current Assets	100,444	92,016
Current Assets		
Inventories	1,137	1,204
Trade and other receivables	6,976	6,511
Tax recoverable	184	329
Short-term investments	17,507	16,966
Cash and bank balances	3,694	3,134
Total Current Assets	29,498	28,144
TOTAL ASSETS	129,942	120,160
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	54,184	51,597
	79,384	76,797
Non-controlling interests	742	784
Total Equity	80,126	77,581
Non-Current Liabilities		
Long term borrowings (secured)	29,728	31,537
Lease liabilities	117	232
Deferred taxation	4,725	4,725
	34,570	36,494
Current Liabilities		
Trade and other payables	11,266	3,876
Amount due to directors	3	6
Lease liabilities	395	216
Bank overdraft	99	99
Short term borrowings (secured)	2,857	1,509
Provision for taxation	626	379
	15,246	6,085
Total Liabilities	49,816	42,579
TOTAL EQUITY AND LIABILITIES	129,942	120,160
Net assets per share attributable to owners of the Company (RM)	0.32	0.30

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE 2ND QUARTER ENDED 30 JUNE 2022

	<----- 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>6 Months Ended 30 June 2022</u>						
<u>(Unaudited)</u>						
Balance as at 1 January 2022	25,200	24,860	26,737	76,797	784	77,581
Total comprehensive income for the financial period	-	-	2,587	2,587	(42)	2,545
Balance as at 30 June 2022	<u>25,200</u>	<u>24,860</u>	<u>29,324</u>	<u>79,384</u>	<u>742</u>	<u>80,126</u>
<u>6 Months Ended 30 June 2021</u>						
<u>(Unaudited)</u>						
Balance as at 1 January 2021	25,200	24,591	20,182	69,973	733	70,706
Total comprehensive income for the financial period	-	-	2,102	2,102	(20)	2,082
Balance as at 30 June 2021	<u>25,200</u>	<u>24,591</u>	<u>22,284</u>	<u>72,075</u>	<u>713</u>	<u>72,788</u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 2ND QUARTER ENDED 30 JUNE 2022

	6 Months Period Ended 30.06.2022 (Unaudited) RM'000	6 Months Corresponding Period Ended 30.06.2021 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	3,445	2,905
Adjustments for:		
Depreciation	707	685
Finance costs	576	569
Finance income	(193)	(130)
Gain on disposal of property, plant and equipment	1	-
Operating profit before working capital changes	<u>4,536</u>	<u>4,029</u>
Changes in working capital:		
Inventories	67	(100)
Trade & other receivables	(465)	411
Trade & other payables	7,390	(7,925)
Cash from/(used in) operations	<u>11,528</u>	<u>(3,585)</u>
Interest received	193	130
Interest paid	(576)	(569)
Income tax paid	(508)	(780)
Net cash from/(used in) operating activities	<u>10,637</u>	<u>(4,804)</u>
Cash flows from investing activities		
Purchase of investment properties	(8,647)	-
Purchase of property, plant and equipment	(941)	(354)
Proceeds from disposal of property, plant and equipment	452	12
Net cash used in investing activities	<u>(9,136)</u>	<u>(342)</u>
Cash flows from financing activities		
Drawdown of loan and borrowings, net of repayment	(397)	7,796
Repayment to directors	(3)	(12)
Net cash (used in)/from financing activities	<u>(400)</u>	<u>7,784</u>
Net changes in cash and cash equivalents	1,101	2,638
Cash and cash equivalent at beginning of period	<u>20,001</u>	<u>17,582</u>
Cash and cash equivalent at end of period	<u><u>21,102</u></u>	<u><u>20,220</u></u>
Cash and cash equivalents comprise the following:		
Short-term investments and fixed deposits	17,507	16,512
Cash and bank balances	3,694	3,808
Bank overdraft	(99)	(100)
Cash and cash equivalents at end of the period	<u><u>21,102</u></u>	<u><u>20,220</u></u>

(The Interim Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021.)

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 2021. 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 2021.

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 2021, except as below:

Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3, Business Combinations
Amendments to MFRS 9, Financial Instruments
Amendments to MFRS 16, Leases
Amendments to MFRS 116, Property, Plant and Equipment
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets
Amendments to Annual Improvements to MFRS Standards 2018-2020

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 2021 was not qualified.

A3 Comments About Seasonal or Cyclical Factors

The Group's principal business is not significantly affected by seasonality or cyclical factors during the current quarter under review.

A4 Unusual Items Affecting Interim Financial Report

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter under review.

A5 Dividends Paid

A final single-tier dividend on ordinary share of 0.80 sen per share amounting to RM2,016,000 (2020: RM2,016,000) in respect of the financial year ended 31 December 2021 was approved by the shareholders at the Company's Annual General Meeting held on 8 June 2022 and has been paid by the Company on 8 July 2022 to shareholders whose names appear in the Register of Depositors at the close of business on 28 June 2022.

A6 Material Changes in Estimates Used

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

A7 Debt and Equity Securities

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

A8 Segmental Information

Segment revenue and segment results for the financial period ended 30 June 2022 by the respective operating segments are as follows:

<u>Financial Period Ended 30.06.2022</u>	Environmental products and services	System equipment and ancillary products	Investments	Inter-segment Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	10,785	1,677	-	-	12,462
Inter-segment revenue	148	2	800	(950)	-
Total revenue	<u>10,933</u>	<u>1,679</u>	<u>800</u>	<u>(950)</u>	<u>12,462</u>
RESULT					
Segment results (external)	4,293	509	(974)	-	3,828
Finance income	151	26	16	-	193
Finance costs	(552)	(24)	-	-	(576)
Profit before taxation	<u>3,892</u>	<u>511</u>	<u>(958)</u>	<u>-</u>	<u>3,445</u>
Taxation					(900)
Profit for the period					<u>2,545</u>
Non-controlling interests					42
Profit attributable to Owners of the Company					<u>2,587</u>

<u>Financial Period Ended 30.6.2021</u>	Environmental products and services	System equipment and ancillary products	Investments	Inter-segment Eliminations	Group
	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE					
External revenue	10,854	1,309	-	-	12,163
Inter-segment revenue	100	3	749	(852)	-
Total revenue	<u>10,954</u>	<u>1,312</u>	<u>749</u>	<u>(852)</u>	<u>12,163</u>
RESULT					
Segment results (external)	3,543	439	(676)	38	3,344
Finance income	88	24	18	-	130
Finance costs	(534)	(35)	-	-	(569)
Profit before taxation	<u>3,097</u>	<u>428</u>	<u>(658)</u>	<u>-</u>	<u>2,905</u>
Taxation					(823)
Profit for the period					<u>2,082</u>
Non-controlling interests					20
Profit attributable to Owners of the Company					<u>2,102</u>

A9 Valuations of Properties

There was no valuation undertaken for the Group's properties in the current quarter under review.

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 30 June 2022; 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 2021.

A15 Capital Commitments

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

	30.06.2022 (Unaudited) RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	11,569
- 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 30.06.2022 RM'000	Cumulative Year To Date 30.06.2022 RM'000
Management fees	375	800
Rental	41	82
Revenue	45	151

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

B1 Review of Performance for the Current Quarter and Financial Year-To-Date

	----- Individual Quarter ----->				<----- Cumulative Quarters ----->			
	Current Quarter Ended 30.06.2022 RM'000	Preceding Year Corresponding Quarter Ended 30.06.2021 RM'000	Changes Amount RM'000	Changes %	Current Year-To-Date 30.06.2022 RM'000	Preceding Year-To-Date 30.06.2021 RM'000	Changes Amount RM'000	Changes %
Revenue	6,319	5,931	388	6.54	12,462	12,163	299	2.46
Operating Profit	1,862	1,808	54	2.99	3,828	3,344	484	14.47
Profit Before Tax	1,674	1,650	24	1.45	3,445	2,905	540	18.59
Profit After Tax	1,222	1,271	(49)	(3.86)	2,545	2,082	463	22.24
Profit Attributable to: Owners of the Company	1,254	1,247	7	0.56	2,587	2,102	485	23.07
Non-Controlling Interest	(32)	24	(56)	(233.33)	(42)	(20)	(22)	110.00

The Group's revenue for the current quarter ended 30 June 2022 showed an increase of 6.54% to RM6.319 million from RM5.931 million in the preceding corresponding year's quarter. The Group's profit before tax increased slightly by 1.45% to RM1.674 million as against preceding corresponding year's quarter of RM1.65 million.

The Group's revenue for the current financial year-to-date ended 30 June 2022 showed a slight increase of 2.46% to RM12.462 million from RM12.163 million in the preceding corresponding year's financial year-to-date. The Group's profit before tax increased by 18.59% to RM3.445 million as against preceding corresponding financial year-to-date of RM2.905 million.

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

Environmental products and services

This segment is the main contributor for the financial period ended 30 June 2022 as it comprised 86.54% of the total revenue.

For the financial period ended 30 June 2022, the revenue in environmental products and services decreased by RM0.021 million or 0.19% to RM10.933 million as compared to RM10.954 million reported in the corresponding financial period ended 30 June 2021. The profit before tax for the financial period ended 30 June 2022 was increased by RM0.795 million or 25.67% to RM3.892 million as compared to RM3.097 million reported in the corresponding financial period ended 30 June 2021.

System equipment and ancillary products

This segment comprised 13.46% of the total revenue for the financial period ended 30 June 2022.

For the financial period ended 30 June 2022, the revenue in system equipment and ancillary products increased by RM0.367 million or 27.97% to RM1.679 million as compared to RM1.312 million reported in the corresponding financial period ended 30 June 2021. The profit before tax for the financial period ended 30 June 2022 increased by RM0.083 million or 19.39% to RM0.511 million as compared to RM0.428 million reported in the corresponding financial period ended 30 June 2021.

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

B2 Variation of Results Against Immediate Preceding Quarter

	Current Year Quarter 30.06.2022 RM'000	Immediate Preceding Quarter 31.03.2022 RM'000	Changes Amount RM'000	Changes %
Revenue	6,319	6,143	176	2.87
Operating Profit	1,862	1,966	(104)	(5.29)
Profit Before Tax	1,674	1,771	(97)	(5.48)
Profit After Tax	1,222	1,323	(101)	(7.63)
Profit Attributable to: Owners of the Company	1,254	1,333	(79)	(5.93)
Non-Controlling Interest	(32)	(10)	(22)	220.00

For the current quarter under review, the Group recorded revenue of RM6.319 million, representing a slight increase of 2.87% from the immediate preceding quarter's revenue of RM6.143 million. The Group's profit before tax for the current quarter decreased by 5.48% to RM1.674 million as compared to the preceding quarter.

B3 Prospects for the Financial Year 2022

The Group expects the remaining financial year to be challenging while the gradual recovery of national economy from the COVID-19 pandemic after the uplift of the movement control and resumption of business, is expected to contribute to better revenue for the Group.

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.

Barring any unforeseen circumstances, the Board of Directors is of the opinion that the performance of the existing business of the Group is expected to remain challenging for the remaining financial year.

B4 Variance of Actual Profit from Forecast Profit

Not applicable as the Group did not issue any profit forecast or profit guarantee for the current quarter under review.

B5 Taxation

The Group's taxation for the current quarter and financial year-to-date were as follows:

	Individual Quarter		Cumulative Quarters	
	Current Year Quarter 30.06.2022 RM'000	Preceding Year Corresponding Quarter 30.06.2021 RM'000	Current Year-To-Date 30.06.2022 RM'000	Preceding Year-To-Date 30.06.2021 RM'000
Income and deferred tax				
-Current	452	379	900	701
-Underprovision in prior year	-	-	-	122
	<u>452</u>	<u>379</u>	<u>900</u>	<u>823</u>

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 30.06.2022 (Unaudited) RM'000	Current Year-To-Date 30.06.2022 (Unaudited) RM'000
Other operating income:		
Bad debts recovered	24	48
Gain on disposal of property, plant and equipment	1	1
Rental income	640	1,263
Operating expense:		
Depreciation	354	707

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

B7 Status of Corporate Proposals

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

B8 Borrowings

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

	Current Year Quarter 30.06.2022 RM'000
Short term borrowings (Secured)	3,351
Long term borrowings (Secured)	29,845
Total	<u>33,196</u>

Bank overdraft of RM 0.099 million has been included as short term borrowings.

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

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

B9 Changes in Material Litigation

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 30.06.2022	Preceding Year Corresponding Quarter 30.06.2021	Current Year-To-Date 30.06.2022	Preceding Year-To-Date 30.06.2021
Profits attributable to owners of the Company (RM'000)	1,254	1,247	2,587	2,102
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	0.50	0.49	1.03	0.83
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.

BRITE-TECH BERHAD

Registration No. 200101014455 (550212-U)

(Incorporated in Malaysia)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

FOR THE 2ND QUARTER ENDED 30 JUNE 2022

B11 Dividends Payable

No dividend has been proposed for the financial period ended 30 June 2022.

BY ORDER OF THE BOARD

Wong Maw Chuan (MIA 7413) (SSM PC No. 202008003554)

Wong Youn Kim (f) (MAICSA 7018778) (SSM PC No. 201908000410)

Lee Chin Wen (f) (MAICSA 7061168) (SSM PC No. 202008001901)

Company Secretaries

29 August 2022