

BRITE-TECH BERHAD

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

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 4TH QUARTER ENDED 31 DECEMBER 2022**

	<----- Individual Quarter ----->		<----- Cumulative Quarters ----->	
	Current Quarter Ended 31.12.2022 (Unaudited) RM'000	Preceding Year Corresponding Quarter Ended 31.12.2021 (Unaudited) RM'000	Current Year-To-Date 31.12.2022 (Unaudited) RM'000	Preceding Year-To-Date 31.12.2021 (Unaudited) RM'000
Revenue	7,545	6,613	25,640	23,690
Operating expenses	(4,002)	(4,744)	(18,338)	(18,846)
Other operating income	1,512	4,626	3,567	6,167
Profit from operating activities	5,055	6,495	10,869	11,011
Impairment of goodwill	(641)	-	(641)	-
Finance income	89	95	386	290
Finance costs	(394)	(318)	(1,268)	(1,209)
Profit before tax	4,109	6,272	9,346	10,092
Taxation	(569)	(471)	(1,922)	(1,517)
Profit for the period	3,540	5,801	7,424	8,575
Other comprehensive income for the period, net of tax	679	269	679	269
Total comprehensive income for the period	4,219	6,070	8,103	8,844
Total comprehensive income for the period				
Owners of the Company	4,138	6,008	8,074	8,800
Non-controlling interests	81	62	29	44
	4,219	6,070	8,103	8,844
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	1.40	2.28	2.96	3.39
- 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 2021.)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	As at End of Current Year Quarter 31.12.2022 (Unaudited) RM'000	As at Preceding Financial Year End 31.12.2021 (Audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	21,533	21,431
Right-of-use assets	2,484	2,091
Investment properties	83,318	67,853
Goodwill on consolidation	-	641
Total Non-Current Assets	107,335	92,016
Current Assets		
Inventories	774	1,204
Trade and other receivables	6,214	6,511
Tax recoverable	241	329
Short-term investments	14,019	16,966
Cash and bank balances	2,412	3,134
Total Current Assets	23,660	28,144
TOTAL ASSETS	130,995	120,160
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	25,200	25,200
Reserves	57,655	51,597
	82,855	76,797
Non-controlling interests	813	784
Total Equity	83,668	77,581
Non-Current Liabilities		
Long term borrowings (secured)	30,668	31,537
Lease liabilities	372	232
Deferred taxation	5,345	4,725
	36,385	36,494
Current Liabilities		
Trade and other payables	3,581	3,876
Amount due to directors	-	6
Lease liabilities	244	216
Bank overdraft	100	99
Short term borrowings (secured)	6,622	1,509
Provision for taxation	395	379
	10,942	6,085
Total Liabilities	47,327	42,579
TOTAL EQUITY AND LIABILITIES	130,995	120,160
Net assets per share attributable to owners of the Company (RM)	0.33	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 4TH QUARTER ENDED 31 DECEMBER 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>12 Months Ended 31 December 2022 (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	-	606	7,468	8,074	29	8,103
Dividend paid in respect of financial year ended 31 December 2021	-	-	(2,016)	(2,016)	-	(2,016)
Balance as at 31 December 2022	<u>25,200</u>	<u>25,466</u>	<u>32,189</u>	<u>82,855</u>	<u>813</u>	<u>83,668</u>
<u>12 Months Ended 31 December 2021 (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	-	269	8,531	8,800	44	8,844
Dividend paid in respect of financial year ended 31 December 2020	-	-	(2,016)	(2,016)	-	(2,016)
Balance as at 31 December 2021	<u>25,200</u>	<u>24,860</u>	<u>26,697</u>	<u>76,757</u>	<u>777</u>	<u>77,534</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 4TH QUARTER ENDED 31 DECEMBER 2022

	12 Months Period Ended 31.12.2022 (Unaudited) RM'000	12 Months Corresponding Period Ended 31.12.2021 (Unaudited) RM'000
Cash flows from operating activities		
Profit before taxation	9,346	10,092
Adjustments for:		
Depreciation	1,387	1,470
Finance costs	1,268	1,209
Finance income	(386)	(290)
(Gain)/Loss on disposal of property, plant and equipment	(12)	1
Gain on fair value adjustment of investment properties	(2,738)	(3,616)
Impairment loss on goodwill	641	-
Impairment loss on inventories	-	64
Impairment loss on receivables	319	215
Unrealised gain on foreign exchange	(3)	-
Operating profit before working capital changes	<u>9,822</u>	<u>9,145</u>
Changes in working capital:		
Inventories	430	(154)
Trade & other receivables	(22)	19
Trade & other payables	(292)	(8,163)
Cash from operations	<u>9,938</u>	<u>847</u>
Interest received	386	290
Interest paid	(1,268)	(1,209)
Income tax paid	(1,198)	(1,642)
Net cash from/(used in) operating activities	<u>7,858</u>	<u>(1,714)</u>
Cash flows from investing activities		
Purchase of investment properties	(12,727)	-
Purchase of property, plant and equipment	(1,928)	(1,154)
Proceeds from disposal of property, plant and equipment	737	270
Net cash used in investing activities	<u>(13,918)</u>	<u>(884)</u>
Cash flows from financing activities		
Drawdown of loan and borrowings, net of repayment	4,412	7,039
Repayment to directors	(6)	(6)
Dividend paid to owners of the company	(2,016)	(2,016)
Net cash from financing activities	<u>2,390</u>	<u>5,017</u>
Net changes in cash and cash equivalents	(3,670)	2,419
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>16,331</u>	<u>20,001</u>
Cash and cash equivalents comprise the following:		
Short-term investments and fixed deposits	14,019	16,966
Cash and bank balances	2,412	3,134
Bank overdraft	(100)	(99)
Cash and cash equivalents at end of the period	<u>16,331</u>	<u>20,001</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 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 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 31 December 2022 by the respective operating segments are as follows:

<u>Financial Period Ended 31.12.2022</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	22,381	3,259	-	-	25,640
Inter-segment revenue	528	5	1,625	(2,158)	-
Total revenue	<u>22,909</u>	<u>3,264</u>	<u>1,625</u>	<u>(2,158)</u>	<u>25,640</u>
RESULT					
Segment results (external)	11,695	933	(2,063)	304	10,869
Finance income	308	57	21	-	386
Finance costs	(1,217)	(51)	-	-	(1,268)
Impairment of goodwill	-	-	-	-	(641)
Profit before taxation	<u>10,786</u>	<u>939</u>	<u>(2,042)</u>	<u>304</u>	<u>9,346</u>
Taxation					(1,922)
Profit for the period					<u>7,424</u>
Non-controlling interests					44
Profit attributable to Owners of the Company					<u>7,468</u>

<u>Financial Period Ended 31.12.2021</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	20,899	2,791	-	-	23,690
Inter-segment revenue	228	5	1,499	(1,732)	-
Total revenue	<u>21,127</u>	<u>2,796</u>	<u>1,499</u>	<u>(1,732)</u>	<u>23,690</u>
RESULT					
Segment results (external)	10,456	705	(392)	242	11,011
Finance income	192	49	49	-	290
Finance costs	(1,159)	(50)	-	-	(1,209)
Profit before taxation	<u>9,489</u>	<u>704</u>	<u>(343)</u>	<u>-</u>	<u>10,092</u>
Taxation					(1,517)
Profit for the period					<u>8,575</u>
Non-controlling interests					(44)
Profit attributable to Owners of the Company					<u>8,531</u>

A9 Valuations of Properties

During the current quarter under review, the Group has carried out an update of valuation 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 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:

	31.12.2022 (Unaudited) RM'000
Capital expenditures not provided for in the financial statements	
- Approved and contracted for	24,604
- Approved but not contracted for	33,170

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 31.12.2022 RM'000	Cumulative Year To Date 31.12.2022 RM'000
Management fees	<u>412</u>	<u>1,625</u>
Rental	<u>31</u>	<u>153</u>
Revenue	<u>146</u>	<u>380</u>

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 ----->			
	Preceding Year		Changes Amount	Changes %	Preceding		Changes Amount	Changes %
	Current Quarter Ended 31.12.2022 RM'000	Corresponding Quarter Ended 31.12.2021 RM'000			Current Year-To-Date 31.12.2022 RM'000	Year-To-Date 31.12.2021 RM'000		
Revenue	7,545	6,613	932	14.09	25,640	23,690	1,950	8.23
Operating Profit	5,055	6,495	(1,440)	(22.17)	10,869	11,011	(142)	(1.29)
Profit Before Tax	4,109	6,272	(2,163)	(34.49)	9,346	10,092	(746)	(7.39)
Profit After Tax	3,540	5,801	(2,261)	(38.98)	7,424	8,575	(1,151)	(13.42)
Profit Attributable to: Owners of the Company	3,532	5,739	(2,207)	(38.46)	7,468	8,531	(1,063)	(12.46)
Non-Controlling Interest	8	62	(54)	(87.10)	(44)	44	(88)	(200.00)

The Group's revenue for the current quarter ended 31 December 2022 showed an increase of 14.09% to RM7.545 million from RM6.613 million in the preceding corresponding year's quarter. The Group's profit before tax decreased by 34.49% to RM4.109 million as against preceding corresponding year's quarter of RM6.272 million.

The Group's revenue for the current financial year-to-date ended 31 December 2022 showed an increase of 8.23% to RM25.64 million from RM23.69 million in the preceding corresponding year's financial year-to-date. The Group's profit before tax decreased by 7.39% to RM9.346 million as against preceding corresponding financial year-to-date of RM10.092 million.

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

Environmental products and services

This segment is the main contributor for the financial period ended 31 December 2022 as it comprised 87.29% of the total revenue.

For the financial period ended 31 December 2022, the revenue in environmental products and services increased by RM1.782 million or 8.43% to RM22.909 million as compared to RM21.127 million reported in the corresponding financial period ended 31 December 2021. The profit before tax for the financial period ended 31 December 2022 was increased by RM1.297 million or 13.67% to RM10.786 million as compared to RM9.489 million reported in the corresponding financial period ended 31 December 2021.

System equipment and ancillary products

This segment comprised 12.71% of the total revenue for the financial period ended 31 December 2022.

For the financial period ended 31 December 2022, the revenue in system equipment and ancillary products increased by RM0.468 million or 16.74% to RM3.264 million as compared to RM2.796 million reported in the corresponding financial period ended 31 December 2021. The profit before tax for the financial period ended 31 December 2022 increased by RM0.235 million or 33.38% to RM0.939 million as compared to RM0.704 million reported in the corresponding financial period ended 31 December 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 31.12.2022 RM'000	Immediate Preceding Quarter 30.09.2022 RM'000	Changes Amount RM'000	Changes %
Revenue	7,545	5,633	1,912	33.94
Operating Profit	5,055	1,986	3,069	154.53
Profit Before Tax	4,109	1,792	2,317	129.30
Profit After Tax	3,540	1,339	2,201	164.38
Profit Attributable to: Owners of the Company	3,532	1,349	2,183	161.82
Non-Controlling Interest	8	(10)	18	(180.00)

For the current quarter under review, the Group recorded revenue of RM7.545 million, representing an increase of 33.94% from the immediate preceding quarter's revenue of RM5.633 million. The Group's profit before tax for the current quarter increased by 129.3% to RM4.109 million as compared to the preceding quarter.

B3 Prospects for the Financial Year 2023

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 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 31.12.2022 RM'000	Preceding Year Corresponding Quarter 31.12.2021 RM'000	Current Year-To-Date 31.12.2022 RM'000	Preceding Year-To-Date 31.12.2021 RM'000
Income and deferred tax				
-Current	548	469	1,838	1,393
-Underprovision in prior year	21	2	84	124
	<u>569</u>	<u>471</u>	<u>1,922</u>	<u>1,517</u>

B6 Additional Notes to Condensed Consolidated Statements of Comprehensive Income

	Current Year Quarter 31.12.2022 (Unaudited) RM'000	Current Year-To-Date 31.12.2022 (Unaudited) RM'000
Other operating income:		
Gain on disposal of property, plant and equipment	15	12
Gain on fair value adjustment on investment properties	2,738	2,738
Unrealised gain on foreign exchange	3	3
Operating expense:		
Depreciation	302	1,387
Impairment loss on trade and other receivables	319	319
Plant and equipment written off	4	4
Realised loss on foreign exchange	3	3

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 31.12.2022 RM'000
Short term borrowings (Secured)	6,966
Long term borrowings (Secured)	31,040
Total	<u>38,006</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

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 31.12.2022	Preceding Year Corresponding Quarter 31.12.2021	Current Year-To-Date 31.12.2022	Preceding Year-To-Date 31.12.2021
Profits attributable to owners of the Company (RM'000)	3,532	5,739	7,468	8,531
Weighted average number of shares in issue ('000)	252,000	252,000	252,000	252,000
Basic earnings per share (sen)	1.40	2.28	2.96	3.39
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 2022 (2021: 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) (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
24 February 2023