

AMTEK HOLDINGS BERHAD (125863-K)
UNAUDITED QUARTERLY REPORT ON THE CONSOLIDATED RESULTS
FOR THE YEAR ENDED 30 JUNE 2015

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	As At End Of Current Quarter 30.06.15 RM '000	As At Preceding Financial Year End 30.06.14 RM '000
		(AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	7,688	8,078
Investment properties	516	528
Deferred tax assets	5	5
	8,209	8,611
Curent assets		
Inventories	15,417	24,623
Receivables	9,285	10,325
Tax assets	585	65
Deposits, cash and bank balances	10,804	8,542
	36,091	43,555
TOTAL ASSETS	44,300	52,166
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	49,999	49,999
Reserves	(29,450)	(25,650)
	20,549	24,349
Minority interest	961	962
Total equity	21,510	25,311
Non-current liabilities		
Borrowings	1,911	2,364
	1,911	2,364
Current liabilities		
Borrowings	9,506	12,719
Payables	11,373	11,549
Provision of taxation	-	223
	20,879	24,491
TOTAL LIABILITIES	22,790	26,855
TOTAL EQUITY AND LIABILITIES	44,300	52,166

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.15 RM '000	Preceding Year Corresponding Quarter (Restated) 30.06.14 RM '000	Current Year To Date 30.06.15 RM '000	Preceding Year Corresponding Period (Restated) 30.06.14 RM '000
	Continuing Operations			
Revenue	6,306	7,805	40,168	39,402
Cost of Sales	(4,057)	(3,621)	(22,430)	(19,330)
Gross Profit	2,249	4,184	17,738	20,072
Other operating income	195	85	249	269
Administrative expenses	(1,182)	(1,419)	(5,308)	(4,961)
Selling and distribution costs	(2,254)	(1,942)	(12,607)	(11,077)
Other expenses	(1,947)	(418)	(2,736)	(1,034)
Finance costs	(48)	(79)	(668)	(677)
(Loss) / Profit before tax	(2,987)	411	(3,332)	2,592
Income tax expense	(432)	(386)	(469)	(1,083)
(Loss) / Profit for the period from continuing operations	(3,419)	25	(3,801)	1,509
Discontinued Operation				
Loss before tax	-	(1,141)	-	(1,684)
Income tax expense	-	-	-	-
Loss for the period from discontinued operation	-	(1,141)	-	(1,684)
Loss for the period	(3,419)	(1,116)	(3,801)	(175)
Attributable to :-				
Equity holders of the parent	(3,419)	(1,116)	(3,800)	(174)
Minority interest	-	-	(1)	(1)
	(3,419)	(1,116)	(3,801)	(175)
(Loss) / Profit per share attributable to equity holders of the parent (sen)				
Basic, for (loss) / profit from continuing operations	(6.84)	0.05	(7.60)	3.02
Basic, for loss from discontinued operation	-	(2.28)	-	(3.37)
Basic, for loss for the period	(6.84)	(2.23)	(7.60)	(0.35)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	Attributable to Equity Holders of the Parent				Minority Interest	Total Equity
	Share Capital	Share Premium	Accumulated Losses	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2013	49,999	19,130	(44,606)	24,523	963	25,486
Total comprehensive expense	-	-	(174)	(174)	(1)	(175)
At 30 June 2014	49,999	19,130	(44,780)	24,349	962	25,311
At 1 July 2014	49,999	19,130	(44,780)	24,349	962	25,311
Total comprehensive expense	-	-	(3,800)	(3,800)	(1)	(3,801)
At 30 June 2015	49,999	19,130	(48,580)	20,549	961	21,510

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

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AMTEK HOLDINGS BERHAD CONDENSED CONSOLIDATED CASH FLOW STATEMENT	12 months ended	
	30.06.15	30.06.14
	RM'000	RM'000 Restated
CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation		
Continuing operations	(3,332)	2,593
Discontinued operation	-	(2,030)
	(3,332)	562
Adjustments for:		
Allowance for inventory obsolescence	1,269	1,709
Bad debt written off	60	4
Deposit written off	-	55
Depreciation of investment properties	12	12
Depreciation of property, plant and equipment	1,037	901
Impairment on debts	1,006	114
Impairment on debts no longer required	-	(131)
Interest expense	668	766
Interest income	(211)	(257)
Inventories written off	-	81
Loss on disposal of property, plant and equipment	-	1
Operating profit before working capital changes	510	3,816
Inventories	7,937	(6,739)
Receivables	(27)	(3,836)
Payables	(177)	5,281
Cash generated from / (used in) operations	8,243	(1,478)
Income tax paid	(1,211)	(1,148)
Net cash generated from / (used in) operating activities	7,032	(2,626)
CASH FLOW FROM INVESTING ACTIVITIES		
Changes to fixed deposit placement as security for credit facility	-	53
Interest income received	211	257
Net cash inflow from disposal of investment in a subsidiary company	-	33
Proceed from disposal of investment property	-	345
Proceed from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(647)	(1,112)
Net cash used in investing activities	(436)	(423)

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CASH FLOW FROM FINANCING ACTIVITIES		
Changes to short term borrowings	(1,773)	572
Interest paid	(668)	(766)
Repayment of finance lease and hire purchase obligations	-	(20)
Repayment of term loan	(421)	(455)
Net cash used in financing activities	(2,862)	(668)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	3,734	(3,717)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	698	4,415
CASH AND CASH EQUIVALENTS CARRIED FORWARD	4,432	698
The cash and cash equivalents consist of the following:		
Deposits, cash and bank balances	10,804	8,542
(Less): Fixed deposit pledged for banking facility	(6,100)	(6,100)
Bank overdraft	(273)	(1,744)
	4,432	698

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements)

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SUMMARY OF KEY FINANCIAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.15 RM '000	Preceding Year Corresponding Quarter (Restated) 30.06.14 RM '000	Current Year To Date 30.06.15 RM '000	Preceding Year Corresponding Period (Restated) 30.06.14 RM '000
1. Revenue #	6,306	9,018	40,168	45,344
2. (Loss) / Profit before tax #	(2,987)	(730)	(3,332)	908
3. Loss for the period #	(3,419)	(1,116)	(3,801)	(175)
4. Loss attributable to ordinary equity holders of the parent	(3,419)	(1,116)	(3,800)	(174)
5. Loss per share (sen)	(6.84)	(2.23)	(7.60)	(0.35)
6. Proposed/Declared dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7. Net assets per share attributable to ordinary equity holders of the parent (RM)		0.41		0.49
Remarks				
# Included in preceding quarter/period, there were revenue and results of subsidiary company which are classified under "revenue and results from discontinued operation" in Note 10 of the Explanatory Note To The Interim Financial Report.				

ADDITIONAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.15 RM '000	Preceding Year Corresponding Quarter (Restated) 30.06.14 RM '000	Current Year To Date 30.06.15 RM '000	Preceding Year Corresponding Period (Restated) 30.06.14 RM '000
1 Gross interest income	176	77	211	257
2 Gross interest expense	(48)	(79)	(668)	(677)

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(E) NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis Of Preparation

The financial report has been prepared under the prescription of the FRS 134 - Interim Financial Reporting and Paragraph 9.22 of the Bursa Malaysia Securities Berhad's Listing Requirements. This interim report has not been audited and should be read in conjunction with the most recent annual financial statements. The accounting policies and methods of computation are consistent with those adopted for the most recent annual financial statements.

The financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2014. These 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 30 June 2014.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 30 June 2014, except for the adoption of the following amendment to MFRS:

Amendment to MFRS 3	Business Combinations (Annual Improvements 2010-2012 Cycle)
Amendment to MFRS 3	Business Combinations (Annual Improvements 2011-2013 Cycle)
Amendment to MFRS 8	Operating Segments (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities
Amendment to MFRS 13	Fair Value Measurement (Annual Improvements 2011-2013 Cycle)
Amendment to MFRS 116	Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to MFRS 124	Related Party Disclosures (Annual Improvements 2010-2012 Cycle)
Amendment to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendment to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendment to MFRS 140	Investment Property (Annual Improvements 2011-2013 Cycle)

It is anticipated that the adoption of the abovementioned Standards will not have a significant impact on the financial statements of the Group and the Company.

3. Audit Qualification

The audited Annual Financial Statements for the preceding year was not subject to any qualifications.

4. Seasonal or Cyclical Factors

The domestic market for the garment industry is influenced by festive seasons. The Group's apparel segment revenue will start to pick up in June and peak from August to January before falling to its low in February or March normally. The Group's other businesses are not much affected by seasonal/cyclical factors.

5. Unusual Items affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no amounts of items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the financial year ended 30 June 2015.

6. Changes in Accounting Estimates

There were no changes in estimates of amounts reported in prior interim period or financial year that have a material effect in the current financial quarter.

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7. Debt and Equity Securities

There were no issues and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial year ended 30 June 2015.

8. Dividends Paid

The Directors do not declare or recommend the payment of any dividend for the financial year ended 30 June 2015.

9. Related Party Disclosures

Tuan Syed Azmin Bin Syed Nor is the Director of Amtek Holdings Berhad and also a Director of Tradewinds Corporation Berhad, an ultimate holding company of Tradewinds International Insurance Brokers Sdn Bhd ("Tradewinds"). In the normal course of business, the Company agreed on the terms and prices, transactions with the following related parties:

	Current Quarter RM'000	Year To Date RM'000
Insurance premium paid to Tradewinds	75	271

10. Segmental Reporting

	Individual Quarter		Cumulative Quarter	
	12 months ended		12 months ended	
	30.06.15	30.06.14	30.06.15	30.06.14
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Segment Revenue				
Revenue from continuing operations:				
Marketing & distribution	6,293	7,792	40,119	39,354
Other operations	58	58	229	228
Total revenue including inter-segment sales	6,351	7,850	40,348	39,582
Elimination of inter-segment sales	(45)	(45)	(180)	(180)
Total revenue from continuing operations	6,306	7,805	40,168	39,402
Total revenue from discontinued operation	-	1,213	-	5,942
Consolidated Total	6,306	9,018	40,168	45,344
Segment Results				
Results from continuing operations:				
Marketing & distribution	(1,958)	869	(1,705)	3,752
Other operations	(1,029)	(458)	(1,627)	(1,160)
Total results from continuing operations	(2,987)	411	(3,332)	2,592
Results from discontinued operation:				
Manufacturing, marketing & distribution	-	(1,141)	-	(1,684)
Consolidated Total	(2,987)	(730)	(3,332)	908

No geographical segmental analysis is presented as the Group operates principally in Malaysia.

All inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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11. Valuation of Property, Plant and Equipment

There has been no valuation of property, plant and equipment carried out since the previous audited financial statements.

12. Material Events subsequent to the end of the current quarter

There were no material events subsequent to the end of the financial period reported on, that have not been reflected in the financial statements.

13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial year ended 30 June 2015, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

14. Contingent Liabilities

	30.06.15	30.06.14
	RM'000	RM'000

Unsecured Corporate Guarantee

Corporate guarantee to banks for banking facilities granted to a subsidiary company

- Guarantee Limit	1,500	1,500
- Amount utilized	1,129	1,500

Corporate guarantee to banks for banking facilities granted to a former subsidiary company

- Guarantee Limit	4,700	4,700
- Amount utilized	341	1,324

The banking facilities of the former subsidiary company, Amtek Shoes Sdn Bhd are secured by fixed deposits placed with the bank of RM1,200,000. The corporate guarantee given by the Company is an additional security to the bank.

As at the date of report, the amount utilised has been reduced to RM341,122. The Directors are of the opinion that the likelihood of the corporate guarantee being crystallised is remote.

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F ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD

1. Review of Performance For The Quarter

Group revenue for the financial period under review of RM6.3 million is lower compared to the previous corresponding period of last year of RM7.8 million. The decrease in revenue is due to the weakening sentiment in the consumer market which affecting the performance of apparel operation segment.

The Group posted a pre-tax loss of RM3.0 million as compared to a consolidated pre-tax loss of RM0.7 million from its pre-tax profit of continuing operations of RM411,000 and pre-tax loss of its discontinued operation of RM1.1 million in the previous corresponding period of last year. The increased in pre-tax losses was mainly due to impairment of debt of RM1.0 million, allowance of stock obsolescence of RM1.3 million and lower revenue with shrinking margin coupled with higher operating expenses in apparel operation segment.

2. Comparison of Results with the Preceding Quarter's Results

Group revenue for the quarter under review of RM6.3 million is lower compared with the revenue achieved in the immediate preceding quarter of RM13.0 million. The decreased is mainly due to lower sales reported by apparel operation segment which is in its off-festive seasons.

The Group recorded a pre-tax loss of RM3.0 million as compared to a pre-tax profit of RM88,000 in the preceding quarter. The increased in pre-tax losses in the current quarter was mainly due to impairment of debt of RM1.0 million, allowance of stock obsolescence of RM1.3 million and lower revenue with shrinking margin coupled with higher operating expenses in apparel operations segment.

3. Prospects for the year

The prospects for the coming year is expected to be challenging and the Group will remain cautious in its spending in view of the uncertain global and domestic economic situation and would continue to explore new opportunities for growth.

4. Variance from Profit Forecast / Profit Guarantee

This is not applicable to the Group.

5. Taxation

The taxation expenses for the year ended 30 June 2015 comprised of the followings:-

	RM'000
Malaysian taxation	
- Based on results for the financial year	300
- Under provision in prior year	148
- Tax penalty for prior year tax assessment	21
	<u>469</u>

6. Quoted Securities

There were no purchases or disposals of quoted securities for the financial year ended 30 June 2015.

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7. Group Borrowings

Secured short term bank borrowings as at 30 June 2015 are as follows:

	RM'000
Bank overdraft	273
Bankers' acceptances	7,227
Revolving credits	1,500
Term loans	506
	<u>9,506</u>

Secured long term bank borrowings as at 30 June 2015 are as follows:

	RM'000
Term loans	<u>1,911</u>
Total Group Borrowings	<u>11,417</u>

8. Financial Instruments with Off Balance Sheet Risks

There were no financial instrument with off balance sheet risks as at the date of this report.

9. Material Litigation

On 23 March 2015, Malayan Banking Berhad ("MBB") has served on Apparel International Sdn Bhd ("AISB"), a wholly owned subsidiary of the Company, a writ of summons, claiming for a total amount of RM872,413.50 together with interests and costs, for default in settlement of factored invoices issued by EL Sports Sdn Bhd ("ELS") to AISB pursuant to the Factoring Agreement entered between MBB and ELS in June 2012. AISB filed its defence and successfully included ELS vide Third Party Notice in this claims and obtained default judgement against ELS on 29 June 2015 granted by the Court.

In June 2015, AISB has initiated its negotiation with MBB to settle the matters amicably and managed to appeal for a discount and mutually agreed to settle the entire claims for a full and final settlement of RM620,000. On 26 June 2015, the Court has granted the consent judgement on this final settlement. This amount has been fully provided for in the profit and loss statements.

10. Dividends

There were no dividends paid or declared for the financial year ended 30 June 2015.

11. Loss Per Share

The basic loss per share of the Group for the financial year ended 30 June 2015 is 7.60 sen per ordinary share, calculated based on the loss attributable to equity holders of the Company of RM3.80 million divided by the number of ordinary shares in issue of 49,998,750.