

**AMTEK HOLDINGS BERHAD (125863-K)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	<b>As At 31.12.16 RM '000</b>	<b>As At 30.06.16 RM '000</b>
	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,877	7,138
Investment properties	498	504
Deferred tax assets	5	5
<b>Total non-current assets</b>	<b>7,380</b>	<b>7,647</b>
<b>Current assets</b>		
Inventories	11,671	10,615
Receivables	7,963	9,721
Tax assets	1,458	1,237
Deposits, cash and bank balances	8,572	10,071
<b>Total current assets</b>	<b>29,664</b>	<b>31,644</b>
<b>TOTAL ASSETS</b>	<b>37,044</b>	<b>39,291</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	49,999	49,999
Reserves	(34,607)	(32,069)
	15,392	17,930
Non-Controlling interest	958	959
<b>Total equity</b>	<b>16,350</b>	<b>18,889</b>
<b>Non-current liabilities</b>		
Borrowings	1,102	1,376
<b>Total non-current liability</b>	<b>1,102</b>	<b>1,376</b>
<b>Current liabilities</b>		
Borrowings	6,374	5,640
Payables	13,218	13,386
Provision of taxation	-	-
<b>Total current liabilities</b>	<b>19,592</b>	<b>19,026</b>
<b>TOTAL LIABILITIES</b>	<b>20,694</b>	<b>20,402</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>37,044</b>	<b>39,291</b>
<b>Net asset per share</b>	<b>0.31</b>	<b>0.36</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial report)

## AMTEK HOLDINGS BERHAD (125863-K)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2016

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.12.16 RM '000	Preceding Year Corresponding Quarter 31.12.15 RM '000	Current Year To Date 31.12.16 RM '000	Preceding Year Corresponding Period 31.12.15 RM '000
Revenue	10	6,067	6,858	10,723	15,289
Cost of Sales	10	(3,528)	(4,490)	(6,206)	(8,837)
<b>Gross Profit</b>		2,539	2,368	4,517	6,452
Other operating income	11	40	138	69	153
Selling and distribution costs	12	(2,262)	(2,532)	(5,015)	(5,477)
Administrative expenses	13	(1,020)	(1,180)	(1,900)	(2,497)
Loss from operations		(703)	(1,206)	(2,329)	(1,369)
Finance costs		(98)	(146)	(210)	(285)
<b>Loss before tax</b>		(801)	(1,352)	(2,539)	(1,654)
Taxation	22	-	-	-	-
<b>Loss for the period</b>		(801)	(1,352)	(2,539)	(1,654)
<b>Other comprehensive income for the period</b>		-	-	-	-
<b>Total comprehensive expense for the period</b>		(801)	(1,352)	(2,539)	(1,654)
<b>Loss attributable to</b>					
Owner of the Company		(800)	(1,352)	(2,538)	(1,653)
Non-controlling interest		(1)	-	(1)	(1)
		(801)	(1,352)	(2,539)	(1,654)
<b>Total comprehensive expense attributable to:</b>					
Owner of the Company		(800)	(1,352)	(2,538)	(1,653)
Non-controlling interest		(1)	-	(1)	(1)
		(801)	(1,352)	(2,539)	(1,654)
<b>Basic loss per share attributable to owner of the Company (sen)</b>	29	(1.60)	(2.70)	(5.08)	(3.31)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial report)

**AMTEK HOLDINGS BERHAD (125863-K)**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

	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 2015	49,999	19,130	(48,580)	20,549	960	21,509
Total comprehensive expense	-	-	(1,653)	(1,653)	(1)	(1,654)
At 31 December 2015	49,999	19,130	(50,233)	18,896	959	19,855
At 1 July 2016	49,999	19,130	(51,199)	17,930	959	18,889
Total comprehensive expense	-	-	(2,538)	(2,538)	(1)	(2,539)
At 31 December 2016	49,999	19,130	(53,737)	15,392	958	16,350

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial report)

**AMTEK HOLDINGS BERHAD (125863-K)**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

	<b>6 months ended</b>	
	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'000</b> <b>Unaudited</b>	<b>RM'000</b> <b>Unaudited</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(2,539)	(1,654)
Adjustments for:		
Allowance for inventory obsolescence	300	300
Depreciation of investment properties	6	6
Depreciation of property, plant and equipment	356	571
Impairment on debts	3	3
Interest expense	210	285
Interest income	(56)	(30)
Operating loss before working capital changes	(1,719)	(518)
Inventories	(1,356)	2,157
Receivables	1,755	8
Payables	(168)	(1,385)
Cash (used in) / generated from operations	(1,489)	263
Income tax paid	(221)	(419)
<b>Net cash used in operating activities</b>	<b>(1,710)</b>	<b>(156)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest income received	56	30
Purchase of property, plant and equipment	(94)	(240)
<b>Net cash used in investing activities</b>	<b>(39)</b>	<b>(211)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Changes to short term borrowings	877	(2,036)
Interest paid	(210)	(285)
Repayment of term loan	(264)	(244)
<b>Net cash generated from/ (used in) in financing activities</b>	<b>402</b>	<b>(2,564)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,346)</b>	<b>(2,931)</b>
<b>CASH AND CASH EQUIVALENTS BROUGHT FORWARD</b>	<b>3,818</b>	<b>4,432</b>
<b>CASH AND CASH EQUIVALENTS CARRIED FORWARD</b>	<b>2,472</b>	<b>1,501</b>
<b>The cash and cash equivalents consist of the following:</b>		
Deposits, cash and bank balances	8,572	8,297
(Less): Fixed deposit pledged for banking facility	(6,100)	(6,100)
Bank overdraft	-	(696)
	<b>2,472</b>	<b>1,501</b>

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2016 and the accompanying explanatory notes attached to the interim financial report)

AMTEK HOLDINGS BERHAD (125863-K)  
SUMMARY OF KEY FINANCIAL INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2016

KEY FINANCIAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<b>Current Year Quarter 31.12.16 RM '000</b>	<i>Preceding Year Corresponding Quarter 31.12.15 RM '000</i>	<b>Current Year To Date 31.12.16 RM '000</b>	<i>Preceding Year Corresponding Period 31.12.15 RM '000</i>
1. Revenue	6,067	6,858	10,723	15,289
2. Loss before tax	(801)	(1,352)	(2,539)	(1,654)
3. Loss for the period	(801)	(1,352)	(2,539)	(1,654)
4. Loss attributable to owner of the Company	(800)	(1,352)	(2,538)	(1,653)
5. Loss per share (sen)	(1.60)	(2.70)	(5.08)	(3.31)
6. Proposed/Declared dividend per share (sen)	-	-	-	-
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7. Net assets per share (RM)		0.31		0.36

ADDITIONAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	<b>Current Year Quarter 31.12.16 RM '000</b>	<i>Preceding Year Corresponding Quarter 31.12.15 RM '000</i>	<b>Current Year To Date 31.12.16 RM '000</b>	<i>Preceding Year Corresponding Period 31.12.15 RM '000</i>
1 Gross interest income	27	17	56	30
2 Gross interest expense	(98)	(146)	(210)	(285)

**AMTEK HOLDINGS BERHAD (125863-K)**  
**EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**1. Accounting policies and methods of computation**

The interim financial report is unaudited and 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.

The financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2016. 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 2016.

**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 2016, except for the adoption of the following amendment to MFRS:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 16	Leases
Amendment to MFRS 7	Financial Instruments : Disclosures (Annual Improvements to MFRSs 2012-2014 Cycle)
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities : Applying the Consolidation Exception
Amendment to MFRS 101	Disclosures Initiative
Amendment to MFRS 107	Disclosures Initiative
Amendment to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendment to MFRS 119	Employee Benefits (Annual Improvements to MFRSs 2012-2014 Cycle)
Amendment to MFRS 127	Equity Method in Separating Financial Statements
Amendment to MFRS 134	Interim Financial Reporting (Annual Improvements to MFRSs 2012-2014 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 cyclicity of interim operations**

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 items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the financial period ended 31 December 2016.

**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.

**AMTEK HOLDINGS BERHAD (125863-K)**  
**EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**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 period ended 31 December 2016.

**8. Dividends paid**

The Directors do not declare or recommend the payment of any dividend for the financial period ended 31 December 2016.

**9. Related party disclosures**

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

	<b>Current Quarter RM'000</b>	<b>Year To Date RM'000</b>
Insurance premium paid to TIIB	55	93

**10. Revenue and cost of sales**

	<b>Current Quarter 6 months ended</b>		<b>Current Year-To-Date 6 months ended</b>	
	<b>31.12.16 RM'000</b>	<b>31.12.15 RM'000</b>	<b>31.12.16 RM'000</b>	<b>31.12.15 RM'000</b>
<b>Revenue</b>				
Sales of goods	6,055	6,847	10,699	15,266
Rental income	12	11	24	23
	<u>6,067</u>	<u>6,858</u>	<u>10,723</u>	<u>15,289</u>
<b>Cost of sales</b>				
Purchase of trading inventories	5,839	4,081	7,262	6,380
Changes in inventories of finished goods	(2,311)	409	(1,056)	2,457
	<u>3,528</u>	<u>4,490</u>	<u>6,206</u>	<u>8,837</u>

Included in cost of sales is an allowance for inventory obsolescence of RM300,000 (30.12.15: RM300,000)

**11. Other operating income**

	<b>Current Quarter 6 months ended</b>		<b>Current Year-To-Date 6 months ended</b>	
	<b>31.12.16 RM'000</b>	<b>31.12.15 RM'000</b>	<b>31.12.16 RM'000</b>	<b>31.12.15 RM'000</b>
Interest income	27	17	56	30
Miscellaneous income	13	121	13	123
	<u>40</u>	<u>138</u>	<u>69</u>	<u>153</u>

**AMTEK HOLDINGS BERHAD (125863-K)**  
**EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**12. Selling and distribution costs**

	<b>Current Quarter</b>		<b>Current Year-To-Date</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>31.12.16</b>	<b>31.12.15</b>	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation	125	235	265	482
Other costs	2,137	2,297	4,750	4,995
	<u>2,262</u>	<u>2,532</u>	<u>5,015</u>	<u>5,477</u>

**13. Administrative expenses**

	<b>Current Quarter</b>		<b>Current Year-To-Date</b>	
	<b>6 months ended</b>		<b>6 months ended</b>	
	<b>31.12.16</b>	<b>31.12.15</b>	<b>31.12.16</b>	<b>31.12.15</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Depreciation	46	45	91	89
Impairment of debts	1	1	3	3
Other expenses	973	1,134	1,806	2,405
	<u>1,020</u>	<u>1,180</u>	<u>1,900</u>	<u>2,497</u>

**14. Segmental reporting**

No geographical and operating segmental analysis is presented as the Group is principally involved in the trading of garments 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.

**15. Valuation of property, plant and equipment**

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

**16. 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.

**17. Changes in the composition of the Group**

There were no changes in the composition of the Group during the current financial period ended 31 December 2016, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations.

**18. Contingent liabilities**

	<b>31.12.16</b>	<b>30.06.16</b>
	<b>RM'000</b>	<b>RM'000</b>

**Unsecured Corporate Guarantee**

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

- Guarantee Limit	1,500	1,500
- Amount utilized	<u>205</u>	<u>632</u>



**AMTEK HOLDINGS BERHAD (125863-K)**  
**EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**19. Review of performance of the Group for the quarter under review and financial year-to-date**

The Group revenue for the six months ended 31 December 2016 of RM10.7 million are lower compared to the previous corresponding period of last year of RM15.3 million. Similarly, the Group revenue for the quarter under review of RM6.1 million is also lower compared to the previous corresponding period of last year of RM6.9 million. The decreased in revenue was due to the softer than expected consumer spending during and after the Hari Raya festival.

The Group posted a higher loss after taxation for the six months ended 31 December 2017 of RM2.5 million as compared to the previous corresponding period of last year of RM1.6 million. However loss after taxation for the quarter under review of RM0.8 million is lower compared to the previous corresponding period of last year of RM1.3 million. The lower losses posted for the quarter under review was mainly due to improvement in gross profit margin and stringent control in overall operating expenses.

**20. Review of performance of the Group for the quarter under review and immediate preceding quarter**

Group revenue for the quarter under review of RM6.1 million is much higher compared with the revenue achieved in the immediate preceding quarter of RM4.6 million. The increased was mainly contributed to the better sales performance for Christmas and Chinese New Year festivals for the quarter under review.

The Group recorded a loss after taxation of RM0.8 million as compared to a loss after taxation of RM1.7 million in the preceding quarter. The substantial decreased in pre-tax losses was mainly due to higher revenue and stringent control in overall operating expenses.

**21. Prospects for the year**

The prospects for the remaining quarter 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.

**22. Variance from financial estimate, forecast or projection or profit guarantee**

This is not applicable to the Group.

**23. Taxation**

The was no provision for taxation during the financial period ended 31 December 2016.

**24. Corporate proposal**

There were no corporate proposal for the financial period ended 31 December 2016.

**AMTEK HOLDINGS BERHAD (125863-K)**  
**EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 2016**

**25. Group borrowings**

Secured short term bank borrowings as at 31 December 2016 are as follows:

	<b>RM'000</b>
Bank overdraft	-
Bankers' acceptances	4,828
Revolving credits	1,000
Term loans	546
	<u>6,374</u>

Secured long term bank borrowings as at 31 December 2016 are as follows:

	<b>RM'000</b>
Term loans	<u>1,102</u>
Total Group Borrowings	<u>7,476</u>

**26. Financial instruments with off balance sheet risks**

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

**27. Material litigation**

There were no material litigations against the Group as at the date of this report.

**28. Dividends**

There were no dividends paid or declared for the financial period ended 31 December 2016.

**29. Loss per share**

The basic loss per share of the Group for the financial period ended 31 December 2016 is 5.08 sen per ordinary share, calculated based on the loss attributable to equity holders of the Company of RM2,538,000 divided by the number of ordinary shares in issue of 49,998,750.