

AMTEK HOLDINGS BERHAD (125863-K)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	As At 31.12.17 RM '000	As At 30.06.17 RM '000
	(UNAUDITED)	(AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	6,383	6,571
Investment properties	486	492
Deferred tax assets	5	5
Total non-current assets	6,874	7,068
Current assets		
Inventories	6,401	11,010
Receivables	6,212	9,276
Tax assets	1,522	1,429
Deposits, cash and bank balances	6,031	7,653
Total current assets	20,166	29,368
TOTAL ASSETS	27,040	36,436
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	69,129	69,129
Reserves	(57,477)	(54,459)
	11,652	14,670
Non-Controlling interest	1,008	958
Total equity	12,660	15,628
Non-current liabilities		
Borrowings	536	803
Total non-current liability	536	803
Current liabilities		
Borrowings	7,230	8,249
Payables	6,614	11,756
Provision of taxation	-	-
Total current liabilities	13,844	20,005
TOTAL LIABILITIES	14,380	20,808
TOTAL EQUITY AND LIABILITIES	27,040	36,436
Net asset per share	0.23	0.29

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 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 2017

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.12.17 RM '000	Preceding Year Corresponding Quarter 31.12.16 RM '000	Current Year To Date 31.12.17 RM '000	Preceding Year Corresponding Period 31.12.16 RM '000
Revenue	10	4,670	6,067	7,883	10,723
Cost of Sales	10	(3,582)	(3,528)	(5,493)	(6,206)
Gross Profit		1,088	2,539	2,390	4,517
Other operating income	11	28	40	46	69
Selling and distribution costs	12	(1,895)	(2,262)	(3,784)	(5,015)
Administrative expenses	13	(842)	(1,020)	(1,422)	(1,900)
Loss from operations		(1,621)	(703)	(2,770)	(2,329)
Finance costs		(91)	(98)	(198)	(210)
Loss before tax		(1,712)	(801)	(2,968)	(2,539)
Taxation	22	-	-	-	-
Loss for the period		(1,712)	(801)	(2,968)	(2,539)
Other comprehensive income for the period		-	-	-	-
Total expense for the period		(1,712)	(801)	(2,968)	(2,539)
Loss attributable to					
Owner of the Company		(1,712)	(800)	(3,018)	(2,538)
Non-controlling interest		-	(1)	50	(1)
		(1,712)	(801)	(2,968)	(2,539)
Total expense attributable to:					
Owner of the Company		(1,712)	(800)	(3,018)	(2,538)
Non-controlling interest		-	(1)	50	(1)
		(1,712)	(801)	(2,968)	(2,539)
Basic loss per share attributable to owner of the Company (sen)	29	(3.42)	(1.60)	(6.04)	(5.08)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 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 2017

	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 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
	49,999	19,130	(54,459)	14,670	958	15,628
Transfer to no par value regime	19,130	(19,130)	-	-	-	-
At 1 July 2017	69,129	-	(54,459)	14,670	958	15,628
Total comprehensive expense	-	-	(3,018)	(3,018)	50	(2,968)
At 31 December 2017	69,129	-	(57,477)	11,652	1,008	12,660

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 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 2017

	6 months ended	
	31.12.17	31.12.16
	RM'000 Unaudited	RM'000 Unaudited
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(2,968)	(2,539)
Adjustments for:		
Allowance for inventory obsolescence	300	300
Depreciation of investment properties	6	6
Depreciation of property, plant and equipment	197	356
Written off of property, plant and equipment	1	-
Interest expense	198	210
Interest income	(28)	(56)
(Reversal)/Impairment of debts	(35)	3
Operating loss before working capital changes	(2,329)	(1,719)
Inventories	4,308	(1,356)
Receivables	3,103	1,755
Payables	(5,142)	(168)
Cash used in operations	(61)	(1,489)
Income tax paid	(93)	(221)
Net cash used in operating activities	(155)	(1,710)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income received	28	56
Purchase of property, plant and equipment	(11)	(94)
Net cash generated from/(used in) investing activities	18	(39)
CASH FLOW FROM FINANCING ACTIVITIES		
Changes to short term borrowings	(2,372)	877
Interest paid	(198)	(210)
Repayment of term loan	(286)	(264)
Net cash (used in)/generated from financing activities	(2,856)	402
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,993)	(1,346)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,814	3,818
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(179)	2,472
The cash and cash equivalents consist of the following:		
Deposits, cash and bank balances	6,031	8,572
(Less): Fixed deposit pledged for banking facility	(4,600)	(6,100)
Bank overdraft	(1,611)	-
	(179)	2,472

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2017 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 2017

KEY FINANCIAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.17 RM '000	Preceding Year Corresponding Quarter 31.12.16 RM '000	Current Year To Date 31.12.17 RM '000	Preceding Year Corresponding Period 31.12.16 RM '000
1. Revenue	4,670	6,067	7,883	10,723
2. Loss before tax	(1,712)	(801)	(2,968)	(2,539)
3. Loss for the period	(1,712)	(801)	(2,968)	(2,539)
4. Loss attributable to owner of the Company	(1,712)	(800)	(3,018)	(2,538)
5. Loss per share (sen)	(3.42)	(1.60)	(6.04)	(5.08)
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)		0.23		0.29

ADDITIONAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.17 RM '000	Preceding Year Corresponding Quarter 31.12.16 RM '000	Current Year To Date 31.12.17 RM '000	Preceding Year Corresponding Period 31.12.16 RM '000
1 Gross interest income	10	27	28	56
2 Gross interest expense	(91)	(98)	(198)	(210)

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017

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 2017. 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 2017.

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 2017, except for the adoption of the following amendment to MFRSs and IC Interpretations:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
MFRS 16	Leases
Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements to MFRSs 2014-2016 Cycle)
Amendment to MFRS 107	Disclosures Initiative
Amendment to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 140	Investments Property (Transfers of Investment Property)
IC Interpretations 23	Uncertainty over Income Tax Treatments

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 2017.

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.

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 2017.

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017

8. Dividends paid

The Directors do not declare or recommend the payment of any dividend for the financial period ended 31 December 2017.

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:

	Current Quarter RM'000	Year To Date RM'000
Insurance premium paid to TIIB	15	58

10. Revenue and cost of sales

	Current Quarter 6 months ended		Current Year-To-Date 6 months ended	
	31.12.17 RM'000	30.12.16 RM'000	31.12.17 RM'000	30.12.16 RM'000
Revenue				
Sales of goods	4,658	6,055	7,858	10,699
Rental income	12	12	25	24
	<u>4,670</u>	<u>6,067</u>	<u>7,883</u>	<u>10,723</u>
Cost of sales				
Purchase of trading inventories	442	5,839	885	7,262
Changes in inventories of finished goods	3,140	(2,311)	4,608	(1,056)
	<u>3,582</u>	<u>3,528</u>	<u>5,493</u>	<u>6,206</u>

Included in cost of sales is an allowance for inventory obsolescence of RM300,000 (30.12.16: RM300,000)

11. Other operating income

	Current Quarter 6 months ended		Current Year-To-Date 6 months ended	
	31.12.17 RM'000	30.12.16 RM'000	31.12.17 RM'000	30.12.16 RM'000
Interest income	10	27	28	56
Miscellaneous income	18	13	18	13
	<u>28</u>	<u>40</u>	<u>46</u>	<u>69</u>

12. Selling and distribution costs

	Current Quarter 6 months ended		Current Year-To-Date 6 months ended	
	31.12.17 RM'000	30.12.16 RM'000	31.12.17 RM'000	30.12.16 RM'000
Depreciation	51	125	109	265
Other costs	1,844	2,137	3,675	4,750
	<u>1,895</u>	<u>2,262</u>	<u>3,784</u>	<u>5,015</u>

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017

13. Administrative expenses

	Current Quarter		Current Year-To-Date	
	6 months ended		6 months ended	
	31.12.17	30.12.16	31.12.17	30.12.16
	RM'000	RM'000	RM'000	RM'000
Depreciation	44	46	89	91
(Reversal)/Impairment of debts	3	1	(35)	3
Other expenses	795	973	1,368	1,806
	<u>842</u>	<u>1,020</u>	<u>1,422</u>	<u>1,900</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 2017, including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations except as disclosed below:-

On 8 January 2018, the Apparel International Sdn Bhd, an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with Crocodile International Sdn Bhd to terminate both the licence agreements for distributing and retailing the "Crocodile" brand men's apparel and small leather goods in Malaysia and dispose off its entire Crocodile's brand inventories, accessories and retail fixed assets, for an aggregate tentative cash consideration of RM8.0 million. As the sale consideration was arrived at based on 48.78% of the gross inventories as at 31 August 2017 of approximately RM16.4 million, the final sale consideration will depend on the level of gross value of the inventories as at the closing date, viz. 31 January 2018.

Upon completion of the disposal, the Company becomes an affected listed issuer pursuant to Chapter 8, Paragraph 8.03(2)(a) under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad whereby a listed issuer has suspended or ceased its major business or operations as a result of the disposal of the listed issuer's major business, i.e. termination of licence agreements with CISB and cessation of distribution and retailing of men's apparel and small leather goods business in Malaysia. The proposed disposal has yet to be completed as at the date of this announcement.

18. Contingent liabilities

	31.12.17	30.06.17
	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	<u>349</u>	<u>1,222</u>

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017

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 2017 of RM7.9 million are lower compared to the previous corresponding period of last year of RM10.7 million. Similarly, the Group revenue for the quarter under review of RM4.7 million is also lower compared to the previous corresponding period of last year of RM6.1 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 RM2.9 million as compared to the previous corresponding period of last year of RM2.5 million. Similarly, loss after taxation for the quarter under review of RM1.7 million is also higher compared to the previous corresponding period of last year of RM0.8 million. The higher losses posted for year to-date and quarter under review was mainly due to lower sales and shrinking in gross profit margin.

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

Group revenue for the quarter under review of RM4.7 million is higher compared with the revenue achieved in the immediate preceding quarter of RM3.2 million. The increased was mainly contributed to the better sales performance for Christmas and Pre-Chinese New Year festivals for the quarter under review.

The Group recorded a pre-tax loss of RM1.7 million as compared to a pre-tax loss of RM1.3 million in the preceding quarter. The increased in pre-tax losses was mainly due to shrinking margin and higher operation costs in apparel operation segment.

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 2017.

24. Corporate proposal

On 15 January 2018, the Company become an affected listed issuer under Practice Note 17 ("PN 17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") ("Bursa Securities") as the Company has triggered the prescribe criteria pursuant to Paragraph 8.04 of MMLR and Paragraph 2.1(a) of PN 17 based on the latest unaudited financial statements of the Company for the financial period ended 30 November 2017.

The Group is taking the necessary steps to formulate a regulation plan to address the Company's PN17 status and will make the necessary announcements on the regulation plan in due course.

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017

25. Group borrowings

Secured short term bank borrowings as at 31 December 2017 are as follows:

	RM'000
Bank overdraft	1,611
Bankers' acceptances	4,067
Revolving credits	1,000
Term loans	<u>552</u>
	<u><u>7,230</u></u>

Secured long term bank borrowings as at 31 December 2017 are as follows:

	RM'000
Term loans	<u>536</u>
Total Group Borrowings	<u><u>7,766</u></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 2017.

29. Subsequent Events

On 15 January 2018, the Company become an affected listed issuer under Practice Note 17 ("PN 17") of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") ("Bursa Securities") as the Company has triggered the prescribe criteria pursuant to Paragraph 8.04 of MMLR and Paragraph 2.1(a) of PN 17 based on the latest unaudited financial statements of the Company for the financial period ended 30 November 2017.

The Group is taking the necessary steps to formulate a regulation plan to address the Company's PN17 status and will make the necessary announcements on the regulation plan in due course.

30. Loss per share

The basic loss per share of the Group for the financial period ended 31 December 2017 is 6.04 sen per ordinary share, calculated based on the loss attributable to equity holders of the Company of RM3,018,000 divided by the number of ordinary shares in issue of 49,998,750.