

AMTEK HOLDINGS BERHAD (125863-K)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	As At 31.03.18 RM '000	As At 30.06.17 RM '000
	(UNAUDITED)	(AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	6,295	6,571
Investment properties	483	492
Deferred tax assets	5	5
Total non-current assets	6,783	7,068
Current assets		
Inventories	4,856	11,010
Receivables	5,550	9,276
Tax assets	1,530	1,429
Deposits, cash and bank balances	5,974	7,653
Total current assets	17,910	29,368
TOTAL ASSETS	24,693	36,436
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	69,129	69,129
Reserves	(58,872)	(54,459)
	10,257	14,670
Non-Controlling interest	1,008	958
Total equity	11,265	15,628
Non-current liabilities		
Borrowings	380	803
Total non-current liability	380	803
Current liabilities		
Borrowings	4,879	8,249
Payables	8,169	11,756
Provision of taxation	-	-
Total current liabilities	13,048	20,005
TOTAL LIABILITIES	13,428	20,808
TOTAL EQUITY AND LIABILITIES	24,693	36,436
Net asset per share	0.21	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 MARCH 2018

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 31.03.18 RM '000	Preceding Year Corresponding Quarter 31.03.17 RM '000	Current Year To Date 31.03.18 RM '000	Preceding Year Corresponding Period 31.03.17 RM '000
Revenue	10	2,419	7,505	10,302	18,228
Cost of Sales	10	(1,506)	(3,576)	(6,999)	(9,782)
Gross Profit		913	3,929	3,303	8,446
Other operating income	11	346	18	392	87
Selling and distribution costs	12	(1,385)	(2,710)	(5,169)	(7,725)
Administrative expenses	13	(1,192)	(1,085)	(2,614)	(2,985)
Loss from operations		(1,318)	152	(4,088)	(2,177)
Finance costs		(77)	(105)	(275)	(315)
(Loss)/Profit before tax		(1,395)	47	(4,363)	(2,492)
Taxation	22	-	-	-	-
(Loss)/Profit for the period		(1,395)	47	(4,363)	(2,492)
Other comprehensive income for the period		-	-	-	-
Total (expense)/income for the period		(1,395)	47	(4,363)	(2,492)
(Loss)/Profit attributable to					
Owner of the Company		(1,395)	47	(4,413)	(2,491)
Non-controlling interest		-	-	50	(1)
		(1,395)	47	(4,363)	(2,492)
Total (expense)/income attributable to:					
Owner of the Company		(1,395)	47	(4,413)	(2,491)
Non-controlling interest		-	(1)	50	(1)
		(1,395)	46	(4,363)	(2,492)
Basic (loss)/profit per share attributable to owner of the Company (sen)	30	(2.79)	0.09	(8.83)	(4.98)

(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 MARCH 2018

	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	-	-	(2,491)	(2,491)	(1)	(2,492)
At 31 March 2017	49,999	19,130	(53,690)	15,439	958	16,397
Transfer to no par value regime	49,999	19,130	(54,459)	14,670	958	15,628
	19,130	(19,130)	-	-	-	-
At 1 July 2017	69,129	-	(54,459)	14,670	958	15,628
Total comprehensive expense	-	-	(4,413)	(4,413)	50	(4,363)
At 31 March 2018	69,129	-	(58,872)	10,257	1,008	11,265

(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 MAR 2018

	9 months ended	
	31.03.18	31.03.17
	RM'000 Unaudited	RM'000 Unaudited
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(4,363)	(2,492)
Adjustments for:		
Allowance for inventory obsolescence	300	450
Depreciation of investment properties	9	9
Depreciation of property, plant and equipment	286	507
Loss on disposal of property, plant and equipment	-	1
Written off of property, plant and equipment	1	-
Interest expense	275	315
Interest income	(39)	(68)
(Reversal)/Impairment of debts	(34)	5
Operating loss before working capital changes	(3,565)	(1,273)
Inventories	5,853	954
Receivables	3,760	2,441
Payables	(3,587)	(3,154)
Cash used in operations	2,461	(1,033)
Income tax paid	(101)	(239)
Net cash generated from/(used in) operating activities	2,360	(1,271)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest income received	39	68
Proceed on disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(11)	(99)
Net cash generated from/(used in) investing activities	28	(30)
CASH FLOW FROM FINANCING ACTIVITIES		
Changes to short term borrowings	(4,555)	2,086
Interest paid	(275)	(315)
Repayment of term loan	(433)	(398)
Net cash (used in)/generated from financing activities	(5,262)	1,373
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,874)	72
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,814	3,818
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(60)	3,891
The cash and cash equivalents consist of the following:		
Deposits, cash and bank balances	5,974	9,991
(Less): Fixed deposit pledged for banking facility	(4,600)	(6,100)
Bank overdraft	(1,434)	-
	(60)	3,891

(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 MARCH 2018

KEY FINANCIAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.18 RM '000	Preceding Year Corresponding Quarter 31.03.17 RM '000	Current Year To Date 31.03.18 RM '000	Preceding Year Corresponding Period 31.03.17 RM '000
1. Revenue	2,419	7,505	10,302	18,228
2. (Loss)/Profit before tax	(1,395)	47	(4,363)	(2,492)
3. (Loss)/Profit the period	(1,395)	47	(4,363)	(2,492)
4. (Loss)/Profit attributable to owner of the Company	(1,395)	47	(4,413)	(2,491)
5. (Loss)/Profit per share (sen)	(2.79)	0.09	(8.83)	(4.98)
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)		0.21		0.29

ADDITIONAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.18 RM '000	Preceding Year Corresponding Quarter 31.03.17 RM '000	Current Year To Date 31.03.18 RM '000	Preceding Year Corresponding Period 31.03.17 RM '000
1 Gross interest income	11	12	39	68
2 Gross interest expense	(77)	(105)	(275)	(315)

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2018

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 Group's apparel segment revenue which influenced by festive seasons has ceased its retail operations effective 1 February 2018. 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 March 2018.

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 March 2018.

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2018

8. Dividends paid

The Directors do not declare or recommend the payment of any dividend for the financial period ended 31 March 2018.

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	109	167

10. Revenue and cost of sales

	Current Quarter 9 months ended		Current Year-To-Date 9 months ended	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Revenue				
Sales of goods	2,407	7,495	10,265	18,194
Rental income	12	10	37	34
	<u>2,419</u>	<u>7,505</u>	<u>10,302</u>	<u>18,228</u>
Cost of sales				
Purchase of trading inventories	(39)	1,116	846	8,378
Changes in inventories of finished goods	1,545	2,460	6,153	1,404
	<u>1,506</u>	<u>3,576</u>	<u>6,999</u>	<u>9,782</u>

Included in cost of sales is an allowance for inventory obsolescence of RM300,000 (31.03.17: RM450,000)

11. Other operating income

	Current Quarter 9 months ended		Current Year-To-Date 9 months ended	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Interest income	11	12	39	68
Miscellaneous income	335	6	353	19
	<u>346</u>	<u>18</u>	<u>392</u>	<u>87</u>

12. Selling and distribution costs

	Current Quarter 9 months ended		Current Year-To-Date 9 months ended	
	31.03.18 RM'000	31.03.17 RM'000	31.03.18 RM'000	31.03.17 RM'000
Depreciation	45	106	154	371
Other costs	1,340	2,604	5,015	7,354
	<u>1,385</u>	<u>2,710</u>	<u>5,169</u>	<u>7,725</u>

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2018

13. Administrative expenses

	Current Quarter		Current Year-To-Date	
	9 months ended		9 months ended	
	31.03.18	31.03.17	31.03.18	31.03.17
	RM'000	RM'000	RM'000	RM'000
Depreciation	43	45	132	136
Impairment/(Reversal) of debts	1	2	(34)	5
Other expenses	1,148	1,038	2,516	2,844
	1,192	1,085	2,614	2,985

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 March 2018, 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 ("AISB"), an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with Crocodile International Sdn Bhd ("CISB") ("Original SPA") 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 ("Proposed Disposal"). As the sale consideration was arrived at based on 51.22% discount 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.

On 13 March 2018, AISB entered into an amended and restated sales and purchase agreement with CISB to restate the Original SPA entered into on 8 January 2018 in its entirety and to clarify certain terms in the Original SPA as well as to include additional terms and conditions in relation to the Proposed Disposal ("Restated SPA"). Pursuant thereto, the Original SPA shall be superseded by the Restated SPA. The final consideration in accordance with the terms and conditions of the Restated SPA amounts to approximately RM5.6 million.

Upon completion of the disposal, the Company would become 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.

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2018

18. Contingent liabilities

	31.03.17	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	334	1,222

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

The Group revenue for the nine months ended 31 March 2018 of RM10.3 million are much lower compared to the previous corresponding period of last year of RM18.2 million. Similarly, the Group revenue for the quarter under review of RM2.4 million is also lower compared to the previous corresponding period of last year of RM7.5 million. The decreased in revenue was mainly due to the cessation of its apparel retail business effective 1 February 2018 in tandem with the sale and purchase agreement entered between Apparel International Sdn Bhd ("AISB"), its indirect wholly owned subsidiary and Crocodile International Sdn Bhd ("CISB") whereby AISB dispose off its entire inventories of "Crocodile" brand apparel and accessories to CISB.

The Group posted a higher loss after taxation for the nine months ended 31 March 2018 of RM4.4 million as compared to the previous corresponding period of last year of RM2.5 million. Similarly, the Group posted a higher loss after taxation for the quarter under review of RM1.3 million compared to a profit after tax of RM47,000 recorded in the previous corresponding period of last year. The higher losses posted for year to-date and quarter under review was mainly due to cessation of its apparel retail business effective 1 February 2018, shrinking GP margin and payment of staff retrenchment cost of RM1.2 million.

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

Group revenue for the quarter under review of RM2.4 million is lower compared with the revenue achieved in the immediate preceding quarter of RM4.7 million. The decreased was mainly due to the cessation of its apparel retail business effective 1 February 2018.

The Group recorded a lower pre-tax loss of RM1.3 million as compared to a pre-tax loss of RM1.7 million in the preceding quarter. The decreased in pre-tax losses was mainly due to stringent control over the operation costs despite the shrinking margin and payment of staff retrenchment cost of RM1.2 million.

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 intensify its effort in pursuing and exploring any value-added corporate proposal to strengthen the financial conditions of the Group and to regularise its financial condition under PN17 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad .

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 March 2018.

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 MARCH 2018

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.

25. Group borrowings

Secured short term bank borrowings as at 31 March 2018 are as follows:

	RM'000
Bank overdraft	1,434
Bankers' acceptances	1,884
Revolving credits	1,000
Term loans	561
	<u>4,879</u>

Secured long term bank borrowings as at 31 March 2018 are as follows:

	RM'000
Term loans	<u>380</u>
Total Group Borrowings	<u>5,259</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 March 2018.

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 March 2018 is 8.83 sen per ordinary share, calculated based on the loss attributable to equity holders of the Company of RM4,413,000 divided by the number of ordinary shares in issue of 49,998,750.