

AMTEK HOLDINGS BERHAD (125863-K)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	As At 30.06.18 RM '000	As At 30.06.17 RM '000
	(UNAUDITED)	(AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	83	6,571
Investment properties	6,477	492
Deferred tax assets	5	5
Total non-current assets	6,565	7,068
Current assets		
Inventories	-	11,010
Receivables	2,142	9,276
Tax assets	1,532	1,429
Deposits, cash and bank balances	5,228	7,653
Total current assets	8,902	29,368
TOTAL ASSETS	15,467	36,436
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	69,129	69,129
Reserves	(59,697)	(54,459)
	9,432	14,670
Non-Controlling interest	1,008	958
Total equity	10,440	15,628
Non-current liabilities		
Borrowings	195	803
Total non-current liability	195	803
Current liabilities		
Borrowings	2,924	8,249
Payables	1,908	11,756
Provision of taxation	-	-
Total current liabilities	4,832	20,005
TOTAL LIABILITIES	5,027	20,808
TOTAL EQUITY AND LIABILITIES	15,467	36,436
Net asset per share	0.19	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 YEAR ENDED 30 JUNE 2018

	NOTE	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Current Year Quarter 30.06.18 RM '000	Preceding Year Corresponding Quarter 30.06.17 RM '000	Current Year To Date 30.06.18 RM '000	Preceding Year Corresponding Period 30.06.17 RM '000
Revenue	10	5,658	7,594	15,960	25,822
Cost of Sales	10	(4,855)	(4,629)	(11,854)	(14,411)
Gross Profit		803	2,965	4,106	11,411
Other operating income	11	204	216	596	303
Selling and distribution costs	12	(492)	(2,662)	(5,661)	(10,387)
Administrative expenses	13	(1,245)	(1,179)	(3,859)	(4,164)
Loss from operations		(730)	(660)	(4,818)	(2,837)
Finance costs		(95)	(109)	(370)	(424)
Loss before tax		(825)	(769)	(5,188)	(3,261)
Taxation	23	-	-	-	-
Loss for the period		(825)	(769)	(5,188)	(3,261)
Other comprehensive income for the period		-	-	-	-
Total expense for the period		(825)	(769)	(5,188)	(3,261)
(Loss)/Profit attributable to					
Owner of the Company		(825)	(769)	(5,238)	(3,260)
Non-controlling interest		-	-	50	(1)
		(825)	(769)	(5,188)	(3,261)
Total (expense)/income attributable to:					
Owner of the Company		(825)	(769)	(5,238)	(3,260)
Non-controlling interest		-	-	50	(1)
		(825)	(769)	(5,188)	(3,261)
Basic loss per share attributable to owner of the Company (sen)	30	(1.65)	(1.54)	(10.48)	(6.52)

(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 YEAR ENDED 30 JUNE 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
Transfer to no par value regime	19,130	(19,130)	-	-	-	-
Total comprehensive expense	-	-	(3,260)	(3,260)	(1)	(3,261)
At 30 June 2017	69,129	-	(54,459)	14,670	958	15,628
At 1 July 2017	69,129	-	(54,459)	14,670	958	15,628
Total comprehensive expense	-	-	(5,238)	(5,238)	50	(5,188)
At 30 June 2018	69,129	-	(59,697)	9,432	1,008	10,440

(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 YEAR ENDED 30 JUNE 2018

	12 months ended	
	30.06.18	30.06.17
	RM'000 Unaudited	RM'000 Unaudited
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(5,188)	(3,262)
Adjustments for:		
(Reversal)/Addition of allowance for inventory obsolescence	(6,214)	600
Bad debt written off	40	22
Depreciation of investment properties	34	12
Depreciation of property, plant and equipment	318	642
(Gain)/Loss on disposal of property, plant and equipment	(56)	1
Interest expense	370	424
Interest income	(176)	(275)
Impairment of debts	368	6
Property, plant and equipment written off	156	25
Operating loss before working capital changes	(10,350)	(1,804)
Inventories	17,224	(995)
Receivables	6,727	417
Payables	(9,848)	(1,629)
Cash generated from/(used in) operations	3,753	(4,011)
Income tax paid	(103)	(192)
Net cash generated from/(used in) operating activities	3,650	(4,204)
CASH FLOW FROM INVESTING ACTIVITIES		
Change to fixed deposit placement as security for credit facility	1,200	1,500
Interest income received	176	275
Proceed on disposal of property, plant and equipment	62	1
Purchase of property, plant and equipment	(11)	(103)
Net cash generated from investing activities	1,428	1,674
CASH FLOW FROM FINANCING ACTIVITIES		
Changes to short term borrowings	(5,939)	2,488
Interest paid	(370)	(424)
Repayment of term loan	(569)	(538)
Net cash (used in)/generated from financing activities	(6,878)	1,525
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,800)	(1,005)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	2,814	3,818
CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,013	2,814
The cash and cash equivalents consist of the following:		
Deposits, cash and bank balances	5,228	7,653
(Less): Fixed deposit pledged for banking facility	(3,400)	(4,600)
Bank overdraft	(815)	(239)
	1,013	2,814

(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 YEAR ENDED 30 JUNE 2018

KEY FINANCIAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.18 RM '000	Preceding Year Corresponding Quarter 30.06.17 RM '000	Current Year To Date 30.06.18 RM '000	Preceding Year Corresponding Period 30.06.17 RM '000
1. Revenue	5,658	7,594	15,960	25,822
2. Loss before tax	(825)	(769)	(5,188)	(3,261)
3. Loss the period	(825)	(769)	(5,188)	(3,261)
4. Loss attributable to owner of the Company	(825)	(769)	(5,238)	(3,260)
5. Loss per share (sen)	(1.65)	(1.54)	(10.48)	(6.52)
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)		0.19		0.29

ADDITIONAL INFORMATION	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.18 RM '000	Preceding Year Corresponding Quarter 30.06.17 RM '000	Current Year To Date 30.06.18 RM '000	Preceding Year Corresponding Period 30.06.17 RM '000
1 Gross interest income	137	207	176	275
2 Gross interest expense	(95)	(109)	(370)	(424)

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 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 year ended 30 June 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 year ended 30 June 2018.

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

8. Dividends paid

The Directors do not declare or recommend the payment of any dividend for the financial year ended 30 June 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	-	167

10. Revenue and cost of sales

	Current Quarter 12 months ended		Current Year-To-Date 12 months ended	
	30.06.18 RM'000	30.06.17 RM'000	30.06.18 RM'000	30.06.17 RM'000
Revenue				
Sales of goods	5,616	7,581	15,881	25,775
Rental income	42	13	79	47
	<u>5,658</u>	<u>7,594</u>	<u>15,960</u>	<u>25,822</u>
Cost of sales				
Purchase of trading inventories	-	6,428	846	14,806
Changes in inventories of finished goods	4,855	(1,799)	11,008	(395)
	<u>4,855</u>	<u>4,629</u>	<u>11,854</u>	<u>14,411</u>

Included in cost of sales is a reversal of allowance for inventory obsolescence of RM6.2 million (30.06.17: allowance for inventory obsolescence of RM600,000)

11. Other operating income

	Current Quarter 12 months ended		Current Year-To-Date 12 months ended	
	30.06.18 RM'000	30.06.17 RM'000	30.06.18 RM'000	30.06.17 RM'000
Interest income	137	207	176	275
Miscellaneous income	67	9	420	28
	<u>204</u>	<u>216</u>	<u>596</u>	<u>303</u>

12. Selling and distribution costs

	Current Quarter 12 months ended		Current Year-To-Date 12 months ended	
	30.06.18 RM'000	30.06.17 RM'000	30.06.18 RM'000	30.06.17 RM'000
Depreciation	12	91	166	462
Other costs	480	2,571	5,495	9,925
	<u>492</u>	<u>2,662</u>	<u>5,661</u>	<u>10,387</u>

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

13. Administrative expenses

	Current Quarter		Current Year-To-Date	
	12 months ended		12 months ended	
	30.06.18	30.06.17	30.06.18	30.06.17
	RM'000	RM'000	RM'000	RM'000
Depreciation	54	45	186	181
Impairment of debts	402	1	368	6
Other expenses	789	1,133	3,305	3,977
	<u>1,245</u>	<u>1,179</u>	<u>3,859</u>	<u>4,164</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 30 June 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 been completed on 18 May 2018 upon fulfilling all the condition precedents as stated in the SPA.

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

18. Contingent liabilities

	30.06.18	30.06.17
	RM'000	RM'000

Unsecured Corporate Guarantee

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

- Guarantee Limit	-	1,500
- Amount utilized	-	1,222
		1,222

The corporate guarantee granted was fully discharged by the bank on 18 May 2018.

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

The Group revenue for the financial year ended 30 June 2018 of RM15.9 million decreased significantly compared to the previous corresponding period of last year of RM25.8 million. Similarly, the Group revenue for the quarter under review of RM5.6 million is also lower compared to the previous corresponding period of last year of RM7.6 million. The decreased in revenue for year to date and quarter under review was mainly due to weak consumer spending during the major festival seasons toward non-essential items such as fashion and cessation of its apparel retail business effective 1 February 2018 pursuant to 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 financial year ended 30 June 2018 of RM5.2 million as compared to the previous corresponding period of last year of RM3.3 million. Similarly, the Group loss after taxation for the quarter under review of RM0.83 also marginally higher compared to previous corresponding period of last year of RM0.77 million. The higher losses posted for year to-date and quarter under review was mainly due to lower revenue in view of the cessation of its apparel retail business effective 1 February 2018 coupled with shrinking GP margin and payment of staff retrenchment cost of approximately 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 RM5.6 million is higher compared with the revenue achieved in the immediate preceding quarter of RM2.4 million. The revenue for the quarter mainly comprised of the sales of its entire "Crocodile" brand inventories to CISB after seeking shareholder' approval vide an EGM convened on 15 May 2018 and the proposed disposal has been completed on 18 May 2018.

The Group recorded a lower pre-tax loss of RM0.8 million as compared to a pre-tax loss of RM1.4 million in the preceding quarter. The decreased in pre-tax losses was mainly due to stringent control over the operation costs after the cessation of its retail business in February 2018.

21. 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 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 year ended 30 June 2018.

AMTEK HOLDINGS BERHAD (125863-K)
EXPLANATION NOTES TO THE INTERIM FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 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 30 June 2018 are as follows:

	RM'000
Bank overdraft	814
Revolving credits	1,500
Term loans	610
	<u>2,924</u>

Secured long term bank borrowings as at 30 June 2018 are as follows:

	RM'000
Term loans	<u>195</u>
Total Group Borrowings	<u>3,119</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 year ended 30 June 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 year ended 30 June 2018 is 10.48 sen per ordinary share, calculated based on the loss attributable to equity holders of the Company of RM5,188,000 divided by the number of ordinary shares in issue of 49,998,750.