

**COMINTEL CORPORATION BHD**  
(Company No. 630068-T)

**CONDENSED CONSOLIDATED INCOME STATEMENTS**  
**FOR THE FOURTH QUARTER ENDED 31 JAN 2009**  
(The figures have not been audited)

	Note	Current Year Quarter Ended 31.01.2009 RM'000	Preceding Year Quarter Ended 31.01.2008 RM'000	Current Year To Date 31.01.2009 RM'000	Preceding Year To Date 31.01.2008 RM'000
Revenue	11	86,988	86,546	309,895	334,327
Cost of sales		(77,438)	(76,733)	(275,689)	(292,827)
Gross profit		<u>9,550</u>	<u>9,813</u>	<u>34,206</u>	<u>41,500</u>
Other operating income		496	167	2,716	1,985
Other operating, administrative, selling and distribution expenses		(9,701)	(8,029)	(29,730)	(28,456)
Finance cost		(1,432)	(1,789)	(5,054)	(6,115)
Profit before taxation	11	<u>(1,087)</u>	<u>162</u>	<u>2,138</u>	<u>8,914</u>
Taxation	16	(173)	2,256	(873)	978
(Loss)/ Profit for the period		<u>(1,260)</u>	<u>2,418</u>	<u>1,265</u>	<u>9,892</u>
Attributable to:					
Equity holders of the parent company		(1,136)	2,196	1,230	9,432
Minority interest		(124)	222	35	460
		<u>(1,260)</u>	<u>2,418</u>	<u>1,265</u>	<u>9,892</u>
Earnings per share					
- Basic (sen)	24	(0.81)	1.57	0.88	6.74
- Diluted (sen)	24	(0.81)	1.57	0.88	6.74

**Note:**

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements.

**COMINTEL CORPORATION BHD**  
(Company No. 630068-T)

**CONDENSED CONSOLIDATED BALANCE SHEETS AS AT 31 JAN 2009**  
(The figures have not been audited)

	Note	(Unaudited) As At 31.01.2009 RM'000	(Audited) As At 31.01.2008 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		71,644	78,228
Prepaid lease payments		2,933	3,015
Investment in associated company		-	4,510
Investment in unquoted shares		865	341
Deferred tax assets		1,752	805
Amounts owing by associated company		-	6,876
Intangible Asset		8,000	-
		<u>85,194</u>	<u>93,775</u>
<b>Current assets</b>			
Inventories		82,561	73,625
Trade receivables		56,422	62,277
Other receivables, deposits and prepayment		23,247	26,077
Amounts owing by associated company		-	1,947
Fixed deposits with financial institutions		21,496	22,863
Cash and bank balances		10,840	7,960
		<u>194,566</u>	<u>194,749</u>
<b>TOTAL ASSETS</b>		<u>279,760</u>	<u>288,524</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		70,000	70,000
Share premium		25,745	25,745
Reserve		1,429	(359)
Retained profit		15,034	15,876
		<u>112,208</u>	<u>111,262</u>
Minority interest		3,460	3,425
<b>Total equity</b>		<u>115,668</u>	<u>114,687</u>
<b>Non-current liabilities</b>			
Long term borrowings	20	5,185	7,852
Hire purchase payables	20	3,482	4,757
Deferred tax liabilities		3,883	2,641
		<u>12,550</u>	<u>15,250</u>
<b>Current liabilities</b>			
Trade payables		54,612	60,924
Other payables and accruals		11,708	17,268
Provision for warranty		957	460
Short term borrowings	20	80,740	75,673
Bank overdraft	20	701	918
Hire purchase payables	20	1,837	1,777
Provision for taxation		987	1,567
		<u>151,542</u>	<u>158,587</u>
<b>Total liabilities</b>		<u>164,092</u>	<u>173,837</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>279,760</u>	<u>288,524</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.8015	0.7947

**Note:**

The Condensed Consolidated Balance Sheets should be read in conjunction with the audited financial statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 JAN 2009  
(The figures have not been audited)**

Note	Attributable to equity holders of the parent				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Reserve RM'000	Retained Profits RM'000			
As at 1 February 2007	70,000	25,745	(81)	6,443	102,107	2,966	105,073
Currency translation differences	-	-	(278)	-	(278)	-	(278)
Loss recognised directly in equity	-	-	(278)	-	(278)	-	(278)
Profit for the year	-	-	-	9,433	9,433	459	9,892
Balance as at 31 January 2008	70,000	25,745	(359)	15,876	111,262	3,425	114,687
As at 1 February 2008	70,000	25,745	(359)	15,876	111,262	3,425	114,687
Currency translation differences	-	-	435	-	435	-	435
Revaluation on Land & Building	-	-	1,353	-	1,353	-	1,353
Profit recognised directly in equity	-	-	1,788	-	1,788	-	1,788
Profit for the period	-	-	-	1,230	1,230	35	1,265
Dividend	23	-	-	(2,072)	(2,072)	-	(2,072)
Balance as at 31 Jan 2009	70,000	25,745	1,429	15,034	112,208	3,460	115,668

**Note:**

The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the audited financial statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements.

**COMINTEL CORPORATION BHD**  
(Company No. 630068-T)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FOURTH QUARTER ENDED 31 JAN 2009  
(The figures have not been audited)**

	Current Year To Date 31.01.2009 RM'000	Preceding Year To Date 31.01.2008 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation	2,138	8,914
Adjustment for non cash and non operating items:		
Depreciation of property, plant & equipment	9,315	10,245
Hire purchase interest	317	307
Interest expenses	4,737	5,670
Loss/(Gain) on disposal of property, plant & equipment	696	(28)
Provision for warranty cost	497	610
Interest income	(396)	(529)
Operating cash flow before working capital changes	<u>17,304</u>	<u>25,189</u>
Inventories	(8,936)	(5,830)
Trade receivables	5,855	(7,712)
Other receivables, deposits and prepayments	2,830	(5,922)
Amounts owing by associated company	8,823	0
Trade payables	(6,312)	27,556
Other payables and accruals	(5,125)	(11,067)
Net cash flow from operations	<u>14,439</u>	<u>22,214</u>
Finance Charges	(5,054)	(5,670)
Interest received	51	136
Income tax paid	(1,158)	(1,671)
Net operating cash flow	<u>8,278</u>	<u>15,009</u>
<b>Cash flows from investing activities</b>		
Investment in associated company	4,510	0
Purchase of property, plant & equipment	(2,162)	(2,575)
Proceeds from disposal of property, plant & equipment	170	28
Purchase of investment	(524)	(341)
Interest income received	345	393
Acquisition of Intangible Asset (Patents)	(8,000)	
Net investing cash flow	<u>(5,661)</u>	<u>(2,495)</u>
<b>Cash flows from financing activities</b>		
Net drawdown/(repayment) of bank borrowings	11,724	3,402
Net (repayment)/drawdown of term loans	(9,324)	2,652
Net repayment of hire purchase liabilities	(1,215)	(1,668)
Dividend paid to shareholder	(2,072)	0
Net financing cash flow	<u>(887)</u>	<u>4,386</u>
<b>Net changes in cash and cash equivalents</b>	1,730	16,900
<b>Cash and cash equivalents at the beginning of the period</b>	29,905	13,005
<b>Cash and cash equivalents at the end of the period</b>	<u>31,635</u>	<u>29,905</u>
<b>Analysed into:</b>		
<b>Deposits in financial institutions</b>	21,496	22,863
<b>Cash and bank balances</b>	10,840	7,960
<b>Bank overdrafts</b>	(701)	(918)
<b>Cash and cash equivalents at the end of the period</b>	<u>31,635</u>	<u>29,905</u>

**Note:**

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements.

## COMINTEL CORPORATION BHD

(Company No. 630068-T)

### EXPLANATORY NOTES

#### 1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the applicable disclosure provision of the Listing Requirements of the Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standard ("FRS") 134, Interim Financial Reporting, issue by the Malaysian Accounting Standard Board ("MASB").

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the financial statements for the year ended 31 January 2008, except for the adoption of the new/revised FRSs that came into effect during the financial period under review as the requirement of the MASB.

The adoption of the new/revised FRSs that came into effect during the financial period under review does not have material effect on the Group's financial results for the financial period to date nor the Group's shareholders' funds as at 31 January 2008 except for the adoption of new accounting policy for intangible asset as stated below:-

##### FRS 138 Intangibles Assets

The Group has acquired rights to patents for In-Mold Decoration Labeling manufacturing processes during the financial period. Intangible asset of the Group is stated at cost less accumulated amortisation and impairment losses. The Group amortises intangible asset on a straight line basis over its estimated useful life of 10 years.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 January 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group.

#### 2. Audit report of preceding annual financial statements

The Group's audited financial statements for the financial year ended 31 January 2008 were reported on without any qualification.

#### 3. Seasonality or cyclicity of operations

The Group's operations have not been affected materially by any seasonal/cyclical factors.

#### 4. Nature and amount of unusual items affecting assets, liabilities, equity, net income or cash flows

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

#### 5. Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect in the current quarter results.

#### 6. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter under review.

#### 7. Valuation of property, plant and equipment

The carrying value of freehold land and building of the Group as at 31 January 2009 was based on the fair value determined from market-based evidenced by independent appraisal. With this, the carrying value of freehold land and building of the Group have been revalued upwards by approximately RM1.3 million.

Except for the above, all property, plant and equipment of the Group are stated at cost less accumulated depreciation.

#### 8. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the quarter under review that have not been reflected in the financial statements for the quarter under review.

## 9 Change in the composition of the group

There were no changes in the composition of the Group during the quarter under review.

## 10 Contingent liabilities and contingent assets

As at 31 January 2009, total bank guarantees outstanding relating to performance and tender bonds amounted to RM9.68 million. The company has provided corporate guarantee amounting to RM244.38 million to financial institutions for banking facilities made available to its subsidiaries of which RM91.95 million is utilised as at 31 January 2009.

## 11 Segmental information

The revenue and profit/(loss) of the Group are generated from the following segments:

Segment revenue	Investment Holding	Manufacturing	Communications & Systems Integration	Defence Maintenance	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	-	-	38,290	8,607	46,897
Foreign countries	-	262,998	-	-	262,998
	-	262,998	38,290	8,607	309,895

  

Segment profit/(loss) before taxation	Investment Holding	Manufacturing	Communications & Systems Integration	Defence Maintenance	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	(1,247)	-	(1,566)	572	(2,241)
Foreign countries	-	4,379	-	-	4,379
	(1,247)	4,379	(1,566)	572	2,138

## 12 Review of performance

	Preceding Quarter 31.10.2008 RM'000	Current Quarter 31.01.2009 RM'000	Preceding year Corresponding Quarter 31.01.2008 RM'000
Revenue	76,647	86,988	86,546
(Loss)/Profit before tax	955	(1,087)	162
(Loss)/Profit after tax	800	(1,260)	2,418
Attributable to :			
Equity holders of the parent company	746	(1,136)	2,196
Minority interest	54	(124)	222

For the current quarter under review, the Group recorded a revenue of RM86.988 million compared to the revenue of RM86.546 million in the corresponding quarter of the previous financial year. The manufacturing segment reported a revenue increase of RM11.6 million, while the communications & systems integration segment and defence maintenance segment recorded a revenue decrease of RM10 million and RM1.3 respectively.

The current quarter revenue is RM10.341 million higher than that recorded in the preceding quarter. The increase in the revenue was mainly attributed to the increase of products shipment from the manufacturing segment.

### 13 Comments on material change in Profit after taxation

For the quarter under review, loss after taxation attributable to the equity holders of the parent company was RM1.136 million, as compared to RM2.196 million profit reported in the preceding year corresponding quarter. The loss was mainly due to the writing off of RM4.51 million investment in associated company. Barring this impairment loss, the Group recorded a higher profit compared to the preceding year corresponding quarter.

### 14 Commentary on prospects

The world and local economic conditions are expected to remain challenging for the coming year. The Group is aggressively exploring new businesses locally and overseas to diversify its revenue source to strive for sustainable growth in all its three (3) business segments.

### 15 Profit forecast

The Group has not issued any profit forecast to relevant authorities and is not subject to any profit guarantee.

### 16 Taxation

	Current Quarter 31.01.2009 RM'000	Current Year To Date 31.01.2009 RM'000
Provision for taxation for the period under review	(117)	578
Deferred taxation	290	295
	<u>173</u>	<u>873</u>

The effective tax rate of the Group for the year ended 31 January 2009 is higher than the local statutory tax rate mainly due to the non-eligibility of certain expenses for tax deduction and the non-availability of group tax relief in respect of losses incurred by certain subsidiary companies.

### 17 Disposal of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year to date.

### 18 Purchase or disposal of quoted securities

#### (a) Purchases and disposals of quoted securities

There were no purchases and disposals of quoted securities for the current quarter and financial year to date.

#### (b) Investment in quoted shares

There were no investments in quoted securities for the current quarter and financial year to date.

### 19 Corporate Proposals

There were no corporate proposals announced and not completed as at the date of this report.

## 20 Group borrowings

Total Group borrowings as at 31 Jan 2009 were as follows :-

	As at 31 Jan 2009		
	Secured RM'000	Unsecured RM'000	Total RM'000
Short term borrowings			
- Local currency (RM)	83,278	-	83,278
Long term borrowings			
- Local currency (RM)	8,667	-	8,667
Total	<u>91,945</u>	<u>-</u>	<u>91,945</u>

Included in the short term borrowings is an amount of RM78.142 million relating to trade financing.

## 21 Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this report.

## 22 Material litigation

There is no material litigation for the current quarter under review.

## 23 Dividends

There were no dividends declared or proposed by the Company in the financial quarter under review.

The shareholders have approved the first and final gross dividend in respect of the financial year ended 31 January 2008 of 2.0 sen per share, less taxation of 26% at the Annual General Meeting held on 29 July 2008 which was paid on 29 August 2008.

## 24 (Loss)/Earnings Per Share (EPS)

The basic (loss)/earning per share for the current quarter and cumulative financial year to date EPS are computed as follows:

	Current Quarter 31.01.2009	Current Year To Date 31.01.2009
(Loss)/Profit attributable to equity holders of the parent (RM'000)	<u>(1,136)</u>	<u>1,230</u>
Weighted average number of ordinary shares of RM0.50 each in issue ('000)	<u>140,000</u>	<u>140,000</u>
- Basic (Loss)/Earning Per Share (sen)	(0.81)	0.88
- Diluted (Loss)/Earning Per Share (sen)	(0.81)	0.88

## 25 Approval of financial statement

These unaudited interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 March 2009.

By order of the Board  
COMINTEL CORPORATION BHD (Company no. : 630068-T)  
Loh Hock Chiang  
Company Secretary MIA 11139  
Eng Shuh Shiang  
Company Secretary MAICSA 7038994

Shah Alam  
26 March 2009