

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 30 APRIL 2010**  
(The figures have not been audited)

	Note	Current Year Quarter Ended 30.04.2010 RM'000	Preceding Year Quarter Ended 30.04.2009 RM'000	Current Year To Date 30.04.2010 RM'000	Preceding Year To Date 30.04.2009 RM'000
Revenue	A8	67,654	78,890	67,654	78,890
Cost of sales		(63,762)	(70,748)	(63,762)	(70,748)
Gross profit		<u>3,892</u>	<u>8,142</u>	<u>3,892</u>	<u>8,142</u>
Other operating income		580	302	580	302
Other operating, administrative, selling and distribution expenses		(5,640)	(7,101)	(5,640)	(7,101)
<b>(Loss)/Profit from Operations</b>		<u>(1,168)</u>	<u>1,343</u>	<u>(1,168)</u>	<u>1,343</u>
Finance cost		(755)	(670)	(755)	(670)
<b>(Loss)/Profit before taxation</b>	A8	<u>(1,923)</u>	<u>673</u>	<u>(1,923)</u>	<u>673</u>
Taxation	B5	-	(156)	-	(156)
<b>(Loss)/Profit for the period</b>		<u>(1,923)</u>	<u>517</u>	<u>(1,923)</u>	<u>517</u>
<b>Other Comprehensive income:</b>					
Exchange difference on translation of foreign operations		(217)	6	(217)	6
Other Comprehensive Income for the period		<u>(217)</u>	<u>6</u>	<u>(217)</u>	<u>6</u>
<b>Total Comprehensive Income for the period</b>		<u>(2,140)</u>	<u>523</u>	<u>(2,140)</u>	<u>523</u>
<b>Profit or (Loss) attributable to:</b>					
Equity holders of the parent company		(2,107)	537	(2,107)	537
Non-controlling interests		184	(20)	184	(20)
		<u>(1,923)</u>	<u>517</u>	<u>(1,923)</u>	<u>517</u>
<b>Total Comprehensive Income attributable to:</b>					
Equity holders of the parent company		(2,324)	543	(2,324)	543
Non-controlling interests		184	(20)	184	(20)
		<u>(2,140)</u>	<u>523</u>	<u>(2,140)</u>	<u>523</u>
<b>(Loss)/Earnings per share</b>					
- Basic (sen)	B13	(1.51)	0.38	(1.51)	0.38
- Diluted (sen)	B13	(1.51)	0.38	(1.51)	0.38

**Note:**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2010**

		(Unaudited)	(Audited)
		As At	As At
		30.04.2010	31.01.2010
	Note	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		63,153	64,585
Prepaid lease payments		2,873	2,889
Investment in unquoted shares		1,052	1,052
Intangible Asset		5,055	5,200
		<u>72,133</u>	<u>73,726</u>
<b>Current assets</b>			
Inventories		82,488	77,614
Trade receivables		48,396	53,799
Other receivables, deposits and prepayment		17,043	17,085
Cash and bank balances		18,219	22,801
		<u>166,146</u>	<u>171,299</u>
<b>TOTAL ASSETS</b>		<u>238,279</u>	<u>245,025</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		1,005	1,222
Retained profit		3,004	5,111
<b>Total Equity attributable to equity holders of the parent</b>		<u>99,754</u>	<u>102,078</u>
<b>Non-controlling interests</b>		<u>3,157</u>	<u>2,973</u>
<b>Total equity</b>		<u>102,911</u>	<u>105,051</u>
<b>Non-current liabilities</b>			
Long term borrowings	B9	3,372	3,728
Hire purchase payables	B9	1,523	1,912
Deferred tax liabilities		2,151	2,151
		<u>7,046</u>	<u>7,791</u>
<b>Current liabilities</b>			
Trade payables		45,141	44,675
Other payables and accruals		13,778	12,824
Provision for warranty		200	200
Short term borrowings	B9	66,230	70,211
Bank overdraft	B9	864	2,097
Hire purchase payables	B9	1,870	1,876
Provision for taxation		239	300
		<u>128,322</u>	<u>132,183</u>
<b>Total liabilities</b>		<u>135,368</u>	<u>139,974</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>238,279</u>	<u>245,025</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.7125	0.7291

**Note:**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 January 2010 and the accompanying explanatory notes attached to the interim financial statements.

**COMINTEL CORPORATION BHD ("COMCORP")**

(Company No. 630068-T)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE FIRST QUARTER ENDED 30 APRIL 2010**

(The figures have not been audited)

Note	Attributable to equity holders of the parent						Non-controlling Interest	Total Equity
	(Non Distributable)			(Distributable)				
	Share Capital	Share Premium	Revaluation Reserves	Translation Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months period ended 30 April 2010</b>								
Balance at 1 February 2010	70,000	25,745	1,354	(132)	5,111	102,078	2,973	105,051
Effects of applying FRS 139	-	-	-	-	-	-	-	-
<b>Restated balance, as at 1 February 2010</b>	<b>70,000</b>	<b>25,745</b>	<b>1,354</b>	<b>(132)</b>	<b>5,111</b>	<b>102,078</b>	<b>2,973</b>	<b>105,051</b>
<b>Changes in equity during the year:</b>								
Profit/(Loss) for the period	-	-	-	-	(2,107)	(2,107)	184	(1,923)
Other comprehensive income				(217)		(217)		(217)
Total comprehensive income for the period	-	-	-	(217)	(2,107)	(2,324)	184	(2,140)
Balance as at 30 April 2010	70,000	25,745	1,354	(349)	3,004	99,754	3,157	102,911
<b>3 months period ended 30 April 2009</b>								
Balance at 1 February 2009	70,000	25,745	1,354	76	15,012	112,187	3,467	115,654
Profit/(Loss) for the period	-	-	-	-	537	537	(20)	517
Other comprehensive income				6		6		6
Total comprehensive income for the period	-	-	-	6	537	543	(20)	523
Balance as at 30 April 2009	70,000	25,745	1,354	82	15,549	112,730	3,447	116,177

**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 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE FIRST QUARTER ENDED 30 APRIL 2010**  
(The figures have not been audited)

	Current Year To Date 30.04.2010 RM'000	Preceding Year To Date 30.04.2009 RM'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation	(1,923)	673
<b>Adjustment for non cash and non operating items:</b>		
Depreciation of property, plant & equipment	1,574	2,223
Amortisation of Intangible asset	145	-
Hire purchase interest	82	87
Interest expenses	673	582
Loss/(Gain) on disposal of property, plant & equipment	858	(37)
Interest income	(37)	(76)
Operating cash flow before working capital changes	<u>1,372</u>	<u>3,452</u>
Inventories	(4,874)	(2,523)
Trade receivables	5,403	(7,388)
Other receivables, deposits and prepayments	42	(4,801)
Trade payables	466	(3,861)
Other payables and accruals	737	4,652
Net cash flow from operations	<u>3,146</u>	<u>(10,469)</u>
Finance Charges	(755)	(669)
Income tax paid	(61)	(272)
Net operating cash flow	<u>2,330</u>	<u>(11,410)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(1,004)	(529)
Proceeds from disposal of property, plant & equipment	20	93
Interest income received	37	76
Net investing cash flow	<u>(947)</u>	<u>(360)</u>
<b>Cash flows from financing activities</b>		
Net (repayment) of bank borrowings	(3,981)	(281)
Net (repayment) of term loans	(356)	(835)
Net (repayment) of hire purchase liabilities	(396)	(202)
Net financing cash flow	<u>(4,733)</u>	<u>(1,318)</u>
<b>Net changes in cash and cash equivalents</b>	(3,350)	(13,088)
<b>Cash and cash equivalents at the beginning of the period</b>	20,705	31,633
<b>Cash and cash equivalents at the end of the period</b>	<u>17,355</u>	<u>18,545</u>
<b>Analysed into:</b>		
<b>Deposits in financial institutions</b>	7,854	10,797
<b>Cash and bank balances</b>	10,365	10,181
<b>Bank overdrafts</b>	(864)	(2,433)
<b>Cash and cash equivalents at the end of the period</b>	<u>17,355</u>	<u>18,545</u>

**Note:**

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2010 and the accompanying explanatory notes attached to the interim financial statements.

# COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

## Notes to the Interim Financial Report - 1st Quarter ended 30 April 2010

### Part A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (FRS) 134

#### A1 Basic of Preparation

The interim financial report has been prepared in accordance with Financial Reporting Standard (FRS) 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements. The figures for the cumulative period in the current quarter to 30 April 2010 have not been audited.

The Condensed interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 January 2010.

#### A2 Changes in Accounting Policies

The accounting policies and methods of computation applied in the unaudited interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 January 2010 except for the adoption of the following new and revised FRSs, IC Interpretations and amendments to standards which are effective for the financial year beginning 1 February 2010:

FRS 7, Financial Instruments: Disclosures  
FRS 8, Operating Segments  
FRS 101 (revised), Presentation of Financial Statements  
FRS 123 (revised), Borrowing Costs  
FRS 132 (revised), Financial Instruments: Presentation  
FRS 139, Financial Instruments: Recognition and Measurement  
Amendment to FRS 1, First-time Adoption of Financial Reporting Standards  
Amendment to FRS 7, Financial Instruments: disclosures  
Amendment to FRS 8, Operating Segments  
Amendment to FRS 107, Statement of Cash Flow  
Amendment to FRS 108, Accounting policies, Changes in Accounting Estimates and Errors  
Amendment to FRS 110, Events after Reporting Period  
Amendment to FRS 116, Property, Plant and Equipment  
Amendment to FRS 117, Leases  
Amendment to FRS 118, Revenue  
Amendment to FRS 119, Employee Benefits  
Amendment to FRS 123, Borrowing Costs  
Amendment to FRS 127, Consolidated and Separate Financial Statements: Costs of an investment in a Subsidiary, jointly controlled Entity  
Amendment to FRS 132, Financial Instruments: Presentation  
Amendment to FRS 134, Interim Financial Reporting  
Amendment to FRS 136, Impairment of Assets  
Amendment to FRS 139, Financial Instrument: Recognition and Measurement  
IC Interpretation 9, Reassessment of Embedded Derivatives  
IC Interpretation 10, Impairment and Interim Financial Reporting  
IC Interpretation 11, FRS 2 - Group and Treasury Share Transactions

The principal effects of the changes in presentation, changes in methods of computation and in accounting policies resulting from the adoption of the new and revised FRSs, IC Interpretations and Amendments are set out below:

##### a) FRS 8: Operating Segments

FRS 8 requires a 'management approach' under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on that used for internal reporting to the chief operating decision maker who makes decision on the allocation of resources and assesses the performance of the reportable segments.

##### b) FRS 101 (revised): Presentation of Financial Statements

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consisted of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to the financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented consist of a statement of financial position, a statement of comprehensive income, a statement of changes in equity, a statement of cash flows and notes to the financial statements.

The effects of the change in presentation are as follows:

The gains and losses that were recognised directly in the preceding year corresponding period are presented as components in other comprehensive income in the statement of comprehensive income. The total comprehensive income for preceding year corresponding period is presented separately and allocation is made to show the amount attributable to owners of the parent and to non-controlling interests. The effects on the comparatives to the Group on adoption of FRS 101 are as follow:

For the period ended 30 April 2010	Income Statement As previously reported RM'000	Effects of adopting FRS 101 RM'000	Statement of comprehensive income <b>As restated</b> RM'000
(Loss) for the period	(1,923)		(1,923)
Other comprehensive income		(217)	(217)
Total comprehensive income			(2,140)
Total comprehensive income attributable to:			
Owners of the Parent			(2,324)
Non-controlling interest			184
			(2,140)

The total comprehensive income for the period is presented as a one-line item in the statement of changes in equity.

### A3 Explanatory Comment On Seasonality or Cyclicity

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

### A4 Unusual Items

There are no items of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 April 2010.

### A5 Change In Estimates

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

### A6 Debt and Equity Securities

There were no issuance and repayment of debts and equity securities, shares buy-back, share cancellations, shares held as treasury shares or resale of treasury shares during the current quarter under review.

### A7 Dividend Paid

There were no dividends paid for the financial quarter under review.

### A8 Segmental information

#### Business Segments Revenue & Results - Three Months Ended 30 April 2010

Segment revenue	Investment Holding RM'000	Manufacturing RM'000	Communications & Systems & Systems Integration RM'000	Defence Maintenance RM'000	Consolidated RM'000
Malaysia	-	-	2,344	857	3,201
Foreign countries	-	64,453	-	-	64,453
Total Revenue	-	64,453	2,344	857	67,654

#### **Results from operating activities**

Segment results	(240)	265	(1,892)	699	(1,168)
Finance costs					(755)
(Loss) before taxation					(1,923)
Taxation					-
(Loss) for the period					(1,923)

**A9 Valuation of property, plant and equipment**

There were no changes to the valuation of property, plant and equipment from the previous year's audited financial statements.

**A10 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.

**A11 Changes in the composition of the group**

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

**A12 Contingent liabilities and contingent assets**

As at 30 April 2010, total bank guarantees outstanding relating to performance and tenders amounted to RM7.898 million. The company has provided corporate guarantee amounting to RM230.89 million to financial institutions for banking facilities made available to its subsidiaries of which RM81.76 million is utilised as at 30 April 2010.

**A13 Capital Commitments**

There were no material capital commitments as at 30 April 2010 and up to the date of this report.

**A14 Related Party Transactions**

The Group's related party transactions for the current quarter and the cumulative period-to-date ended 30 April 2010 are as follow:

Nature of Relationship	Purchase of goods RM'000	Service Received RM'000	Rental RM'000	Total for nature of relationship RM'000
Parents and fellow subsidiaries	-	-	-	-
Principal owner	396	-	-	396
Director, other key management personnel	-	21	-	21
<b>Total for type of transaction</b>	<b>396</b>	<b>21</b>	<b>-</b>	<b>417</b>

# COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

## Notes to the Interim Financial Report - 1st Quarter ended 30 April 2010

### Part B. Additional Information Required by The Listing Requirements of Bursa Malaysia Securities Berhad

#### B1 Review of Performance (Current YTD vs Preceding YTD)

	Current Year To Date 30.04.2010 RM'000	Preceding Year To Date 30.04.2009 RM'000
Revenue	67,654	78,890
(Loss)/Profit before tax	(1,923)	673
(Loss)/Profit after tax	(1,923)	517
Attributable to :		
Equity holders of the parent company	(2,107)	537
Non-controlling interests	184	(20)

For the current YTD ended 30 April 2010, the Group recorded a revenue of RM67.6 million with a loss before tax of RM1.9 million as compared with revenue of RM78.9 million with profit before tax of RM0.7 million in the preceding YTD ended 30 April 2009. The decrease in revenue and the loss after tax for the current YTD was mainly due to the lower revenue contribution from the Manufacturing segment and the Communications & System Integration segment.

#### B2 Comparison with Preceding Quarter's Results

	Current Quarter ended 30.04.2010 RM'000	Preceding Quarter ended 31.01.2010 RM'000
Revenue	67,654	75,962
(Loss) before tax	(1,923)	(9,341)
(Loss) after tax	(1,923)	(9,322)
Attributable to :		
Equity holders of the parent company	(2,107)	(9,411)
Non-controlling interests	184	89

The current quarter revenue is RM8.3 million lower than that recorded in the preceding quarter. The decrease in the revenue was mainly due to the decrease of revenue contribution from the Communications & System Integration segment and the Defence Maintenance segment amounting to RM6.0 million and RM3.6 million respectively.

The Group recorded a loss before tax of RM1.9 million for the current quarter as compared to the loss before tax of RM9.3 million in the preceding quarter. The losses for the preceding quarter was mainly due to the allowance for doubtful debts (RM6.3 million) and impairment loss of intangible asset (RM2.0 million).

#### B3 Prospects for the Remaining Period of the Current Financial Year

The global economic conditions are expected to remain challenging for the ensuing year especially for the Communications & System Integration segment and the Defence Maintenance segment. The outlook for the Manufacturing segment also remains challenging. Nevertheless, the company has intensified its efforts in diversifying its product range to include LED lights. It is envisaged that the demand for LED lighting will rise globally and domestically as reflected in the recent 10th Malaysia Plan announcement calling for the replacement of all incandescent light in the country by the year 2014.

The Group will endeavor to continue to take appropriate measures to remain competitive and strive for sustainable growth in its three (3) business segments.



**B4 Profit Forecast or Profit Guarantee**

The Group did not issue any profit forecast or profit guarantee.

**B5 Tax Expenses**

	Current Quarter 30.04.2010 RM'000	Current Year To Date 30.04.2010 RM'000
Income Tax	-	-
Deferred taxation	-	-
	<u>-</u>	<u>-</u>

There was no taxation for the current quarter under review as the Group incurred losses.

**B6 Profit or Loss on Sales of Unquoted Investments and Properties**

The Group has not disposed of any unquoted investments or properties during the current quarter under review.

**B7 Quoted Securities**

There was no purchase or disposal of quoted securities in the current quarter.

**B8 Corporate Proposals**

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

**B9 Group Borrowings**

<u>Secured</u>	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
Bank Borrowings	67,094	3,372	70,466
Hire purchase payables	1,870	1,523	3,393
Total Borrowings	<u>68,964</u>	<u>4,895</u>	<u>73,859</u>

**B10 Off Balance Sheet Financial Instrument**

There were no off balance sheet financial instruments as at the date of this report that might materially affect the Group's business position.

**B11 Changes in material litigations**

The Group is not engaged in any material litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Group, and the Board is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Group.

**B12 Proposed Dividends**

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

**B13 (Loss)/Earnings Per Share ("EPS")**

The basic (loss)/earnings per share is calculated by dividing profit/(loss) for the period attributable to ordinary equity owners of the parent by the weighted average number of ordinary shares in issue during the financial quarter ended 30 April 2010 and is as follows:-

	Current Qtr 30/04/2010 RM'000	Cumulative Qtr To- date 30/04/2010 RM'000
Loss attributable to owners of the parent	(2,107)	(2,107)
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	140,000	140,000
Basic loss per share (sen)	(1.51)	(1.51)

**B14 Comparative Figures**

Comparative figures, where applicable, have been modified to conform with the current quarter presentation.

**B15 Audit Report Qualification and Status of Matters Raised**

The audited financial statements of the Group for the preceding year ended 31 January 2010 were not subject to any qualification.

**B16 Authorisation for issue**

These unaudited interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 June 2010.

**Date: 24 June 2010**