

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**FOR THE FOURTH QUARTER ENDED 31 JANUARY 2013****(The figures have not been audited)**

	Note	Current Year Quarter Ended 31.01.2013 RM'000	Preceding Year Quarter Ended 31.01.2012 RM'000	Current Year To Date 31.01.2013 RM'000	Preceding Year To Date 31.01.2012 RM'000
Revenue	A8	113,449	83,873	416,197	301,469
Cost of sales		(104,512)	(76,573)	(385,106)	(284,665)
Gross profit		8,937	7,300	31,091	16,804
Other operating income		1,108	289	2,037	1,009
Other operating, administrative, selling and distribution expenses		(7,476)	(5,414)	(22,764)	(21,367)
Profit / (Loss) from Operations		2,569	2,175	10,364	(3,554)
Finance cost		(849)	(973)	(3,461)	(3,644)
Profit / (Loss) before taxation	A8	1,720	1,202	6,903	(7,198)
Taxation	B6	(4,257)	119	(4,271)	104
(Loss) / Profit for the period		(2,537)	1,321	2,632	(7,094)
Other Comprehensive income:					
Currency translation differences for foreign operations		44	(6)	76	67
Surplus on revaluation of property plant & equipment		12,678	-	12,678	-
Deferred tax liabilities relating to components of other comprehensive income		(3,169)	-	(3,169)	-
Total Comprehensive Income for the period		7,016	1,315	12,217	(7,027)
(Loss) or Profit attributable to:					
Equity holders of the parent company		(2,312)	991	3,273	(7,058)
Non-controlling interests		(225)	330	(641)	(36)
		(2,537)	1,321	2,632	(7,094)
Total Comprehensive Income attributable to:					
Equity holders of the parent company		7,241	985	12,858	(6,991)
Non-controlling interests		(225)	330	(641)	(36)
		7,016	1,315	12,217	(7,027)
(Loss) / Profit per share					
- Basic (sen)	B15	(1.65)	0.71	2.34	(5.04)
- Diluted (sen)	B15	(1.65)	0.71	2.34	(5.04)

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2012 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 31 JANUARY 2013

	(Unaudited) As At 31.01.2013 RM'000	(Audited) As At 31.01.2012 RM'000 (Restated)	(Audited) As At 01.02.2011 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	68,687	58,590	62,877
Investment in unquoted shares	1,052	1,052	1,052
	<u>69,739</u>	<u>59,642</u>	<u>63,929</u>
Current assets			
Inventories	86,295	59,784	81,273
Trade receivables	66,771	57,159	62,968
Other receivables, deposits and prepayment	7,835	7,504	13,346
Cash and bank balances	29,933	26,121	25,153
	<u>190,834</u>	<u>150,568</u>	<u>182,740</u>
TOTAL ASSETS	<u>260,573</u>	<u>210,210</u>	<u>246,669</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	70,000	70,000	70,000
Share premium	25,745	25,745	25,745
Capital Reserves	10,863	1,354	1,354
Other Reserves	143	67	-
Accumulated Losses	(6,851)	(10,124)	(3,066)
Total Equity attributable to equity holders of the parent	99,900	87,042	94,033
Non-controlling interests	2,378	2,877	2,913
Total equity	<u>102,278</u>	<u>89,919</u>	<u>96,946</u>
Non-current liabilities			
Long term borrowings	-	883	2,306
Hire purchase payables	419	600	1,494
Deferred tax liabilities	4,512	1,343	1,734
	<u>4,931</u>	<u>2,826</u>	<u>5,534</u>
Current liabilities			
Trade payables	45,692	30,148	41,380
Other payables and accruals	9,882	8,985	11,955
Provision for warranty	404	340	380
Short term borrowings	88,191	74,521	85,693
Bank overdraft	4,621	3,046	3,033
Hire purchase payables	317	425	1,738
Provision for taxation	4,257	-	10
	<u>153,364</u>	<u>117,465</u>	<u>144,189</u>
Total liabilities	<u>158,295</u>	<u>120,291</u>	<u>149,723</u>
TOTAL EQUITY AND LIABILITIES	<u>260,573</u>	<u>210,210</u>	<u>246,669</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)	0.7136	0.6217	0.6717

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 January 2012 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 FOURTH QUARTER ENDED 31 JANUARY 2013**
(The figures have not been audited)

Note	Attributable to equity holders of the parent				Attributable to equity holders of the parent		Total Equity RM'000
	Share Capital RM'000	Share Premium Reserves RM'000	Revaluation Reserves RM'000	Translation Reserves RM'000	(Non Distributable) (Distributable)	(Accumulated Losses) / Retained Profits RM'000	
12 months-period ended 31 January 2013							
Balance at 1 February 2012	70,000	25,745	1,354	(434)	(9,623)	87,042	89,919
Effects of adopting MFRS	-	-	-	501	(501)	-	-
Balance at 1 February 2012, restated	70,000	25,745	1,354	67	(10,124)	87,042	89,919
Changes in equity during the year:							
Profit / (Loss) for the period	-	-	9,509	76	3,273	3,273	2,632
Other comprehensive income	-	-	-	-	-	9,585	9,585
Total comprehensive income for the period	-	-	9,509	76	3,273	12,858	12,217
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	142
Balance as at 31 January 2013	70,000	25,745	10,863	143	(6,851)	99,900	102,278
12 months period ended 31 January 2012							
Balance at 1 February 2011	70,000	25,745	1,354	(501)	(2,565)	94,033	96,946
Effects of adopting MFRS	-	-	-	501	(501)	-	-
Balance at 1 February 2011, restated	70,000	25,745	1,354	-	(3,066)	94,033	96,946
(Loss) for the period	-	-	-	-	(7,058)	(7,058)	(7,094)
Other comprehensive income	-	-	-	67	-	67	67
Total comprehensive income for the period	-	-	-	67	(7,058)	(6,991)	(7,027)
Balance as at 31 January 2012	70,000	25,745	1,354	67	(10,124)	87,042	89,919

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 2012 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 FOURTH QUARTER ENDED 31 JANUARY 2013
(The figures have not been audited)**

	Current Year To Date 31.01.2013 RM'000	Preceding Year To Date 31.01.2012 RM'000
Cash flows from operating activities		
Profit / (Loss) before taxation	6,903	(7,198)
Adjustments for non cash and non operating items:		
Depreciation of property, plant & equipment	4,739	5,015
Hire purchase interest	63	230
Interest expenses	3,398	3,414
(Gain) on disposal of property, plant & equipment	(77)	(25)
Warranty costs Incurred	64	(40)
Interest income	(229)	(220)
Operating cash flow before working capital changes	14,861	1,176
Inventories	(26,511)	21,489
Trade receivables	(9,612)	5,809
Other receivables, deposits and prepayments	(331)	5,842
Trade payables	15,544	(11,232)
Other payables and accruals	973	(2,903)
Net cash flow from operations	(5,076)	20,181
Finance Charges	(3,461)	(3,644)
Income tax paid	(14)	(297)
Net operating cash flow	(8,551)	16,240
Cash flows from investing activities		
Purchase of property, plant & equipment	(2,167)	(1,289)
Proceeds from disposal of property, plant & equipment	86	585
Interest income received	229	220
Net investing cash flow	(1,852)	(484)
Cash flows from financing activities		
Net drawdown/(repayment) of bank borrowings	14,219	(11,189)
Net (repayment) of term loans	(1,432)	(1,406)
Net (repayment) of hire purchase liabilities	(289)	(2,206)
Proceeds from subscription of shares by non-controlling interest	142	
Net financing cash flow	12,640	(14,801)
Net changes in cash and cash equivalents	2,237	955
Cash and cash equivalents at the beginning of the period	23,075	22,120
Cash and cash equivalents at the end of the period	25,312	23,075
Analysed into:		
Deposits with financial institutions	6,487	16,105
Cash and bank balances	23,446	10,016
Bank overdrafts	(4,621)	(3,046)
Cash and cash equivalents at the end of the period	25,312	23,075

Note:

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2012 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 - 4th Quarter ended 31 January 2013

Part A.

EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (FRS) 134

A1 Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 January 2012. These 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 since the financial year ended 31 January 2012.

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 January 2012, except for the adoption of the new MFRS framework.

The interim financial statements for the period ended 31 July 2012 is the first interim financial statements that the Group had prepared in accordance with MFRS and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards (MFRS 1) has been adopted.

The audited financial statements for the financial year ended 31 January 2012 were prepared under Financial Reporting Standards ("FRS"). Except for certain differences, the requirements under FRS and MFRS are similar.

The date of transition to the MFRS framework is 1 February 2011.

At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS1. The impact of the transition from FRS and MFRS are described below:

Foreign currency translation reserve

At the date of transition to MFRS, the cumulative foreign currency differences of RM500,923 is adjusted to retained earnings. The reconciliation of equity for comparative periods and of equity at date of transition reported under FRS to those reported for periods and at the date of transition under MFRS is as follows:-

Reconciliation of equity as at 1 February 2011

	FRS as at 1.2.2011 RM'000	Effect of transition to MFRS RM'000	MFRS as at 1.2.2011 RM'000
<u>Equity as at 1 February 2011</u>			
Exchange translation reserve	(501)	501	-
Accumulated losses	(2,565)	(501)	(3,066)

Reconciliation of equity as at 31 January 2012

	FRS as at 31.1.2012 RM'000	Effect of transition to MFRS RM'000	MFRS as at 31.1.2012 RM'000
<u>Equity as at 31 January 2012</u>			
Exchange translation reserve	(434)	501	67
Accumulated losses	(9,623)	(501)	(10,124)

The Group has not elected for early adoption of the following standards, amendment and IC Interpretation relevant to the current operations of the Group, which were issued but not yet effective:

	effective for financial periods beginning on or after
MFRS 9, Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
MFRS 9, Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2015
MFRS 10, Consolidated Financial Statements	1 January 2013
MFRS 11, Joint Arrangements	1 January 2013
MFRS 12, Disclosure of Interests in Other Entities	1 January 2013
MFRS 13, Fair Value Measurement	1 January 2013
MFRS 119, Employee Benefits (IAS 19 as amended by IASB in June 2011)	1 January 2013
MFRS 127, Separate Financial Statements (IAS 27 as amended by IASB in May 2011)	1 January 2013
MFRS 128, Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)	1 January 2013
Amendments to MFRS 1, Government Loans	1 January 2013
Amendments to MFRS 7, Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 10, Consolidation Financial Statements : Investment Entities	1 January 2014
Amendments to MFRS 11, Joint Arrangements	1 January 2013
Amendments to MFRS 12, Disclosure of Interests in other Entities: Investment Entities	1 January 2014
Amendments to MFRS 101, Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 127, Consolidated and Separate Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 132, Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

The adoption of the above MFRS and IC Interpretation is not expected to have any significant impact on the financial statements of the Group.

A2 Audit qualification

The auditor's report of the preceding annual financial statements of the Group did not contain any qualification.

A3 Explanatory Comment On Seasonality or Cyclicity

The Group's operations have not been affected materially by any seasonal/cyclical factors. However, the Communication & System Integration and Defence Maintenance's business operation results were very much dependent on the timing of completion of each project.

A4 Unusual Items

There were no items of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows during the financial period ended 31 January 2013.

A5 Change In Estimates

There were 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

No interim nor final ordinary dividend has been declared, recommended or paid during the financial quarter under review and the financial year to date.

A8 Segmental information

The Group comprises the following main business / operating segments:

- (a) Investment Holding
- (b) Manufacturing
- (c) Communication & System Integration
- (d) Defence Maintenance

The main geographical segments for the Group are:

- (a) Malaysia
- (b) Overseas

In presenting the segmental information, segment revenue is based on both operating segment and the geographical location of customers. Segment assets are based on the assets employed by each of the business / operating segment.

Segment revenue, segment results and segment assets employed for business / operating segment and geographical segment

Current Year-to-Date (year ended 31 January 2013)

Segment revenue	Investment Holding RM'000	Manufacturing RM'000	Communications & Systems Integration RM'000	Defence Maintenance RM'000	Consolidated RM'000
Malaysia	-	-	29,264	1,661	30,925
Overseas	-	385,272	-	-	385,272
Total Revenue	-	385,272	29,264	1,661	416,197

Results from operating activities

Segment results	(1,000)	15,463	(2,587)	(1,512)	10,364
Finance costs					(3,461)
Profit before taxation					6,903
Taxation					(4,271)
Profit for the year					2,632
Segment Assets					
Segment Assets	844	198,682	51,761	8,234	259,521
Investment in unquoted shares					1,052
Consolidated total assets					260,573

Preceding Year (year ended 31 January 2012)

Segment revenue	Investment Holding RM'000	Manufacturing RM'000	Communications & Systems Integration RM'000	Defence Maintenance RM'000	Consolidated RM'000
Malaysia	-	-	18,757	9,350	28,107
Overseas	-	273,362	-	-	273,362
Total Revenue	-	273,362	18,757	9,350	301,469

Results from operating activities

Segment results	(901)	2,230	(4,973)	90	(3,554)
Finance costs					(3,644)
(Loss) before taxation					(7,198)
Taxation					104
(Loss) for the year					(7,094)
Segment Assets					
Segment Assets	845	155,760	40,018	12,535	209,158
Investment in unquoted shares					1,052
Consolidated total assets					210,210

A9 Valuation of property, plant and equipment

The carrying value of freehold land and building of the Group as at 31 January 2013 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 RM12.7 million.

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

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 31 January 2013, total bank guarantees outstanding relating to performance and tenders amounted to RM4.62 million. The company has provided corporate guarantee amounting to RM224.96 million to financial institutions for banking facilities made available to its subsidiaries of which RM98.17 million was utilised as at 31 January 2013.

A13 Capital Commitments

There were no material capital commitments as at 31 January 2013 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 31 January 2013 were as follow:

Nature of Relationship	Purchase of goods RM'000	Service Received RM'000	Total for nature of relationship RM'000
Principal owner	-	-	-
Director, other key management	-	106	106
Total for type of transaction	-	106	106

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

Notes to the Interim Financial Report - 4th Quarter ended 31 January 2013

Part B. Additional Information Required by The Listing Requirements of Bursa Malaysia Securities Berhad**B1 Detailed analysis of the performance of all operating segments of the Group for the current quarter and financial year-to-date**

The Group recorded a revenue of RM113.4 million for the current quarter ended 31st Jan 2013, an increase of 35.3% or RM29.6 million as compared to the corresponding quarter last year. The increase in revenue was mainly attributed to the higher revenue recorded by our Manufacturing and Communication & System Integration Segments.

For the current quarter under review, revenue from the Manufacturing segment and Communication & System Integration Segments improved by RM23.5 million and RM12.6 million respectively. Revenue from the Defence Maintenance segment however declined by RM6.5 million.

The Group recorded a net loss of RM 2.5 million for the 4th quarter under review. This is primarily due to the additional tax assessment together with penalties raised by Inland Revenue Board (IRB) on Comintel Sdn Bhd (CSB) a wholly owned subsidiary of Comintel Corporation Berhad (Comcorp) arising from the tax audit conducted by IRB for Y/A 2005 to Y/A 2008. CSB strongly believes that the major portion of the said additional assessment and the penalties arising therefrom is without merit and has filed an appeal. Notwithstanding the outcome of the appeal, the Directors of CSB and Comcorp consider it prudent to provide the amount in full until the appeal is resolved.

For the financial year-to-date, the Group recorded a net profit of RM 2.6 million as compared to the net loss of RM 7.1 million. The profit achieved by the Group was attributed to the higher revenue recorded by the Manufacturing segment as orders from our customers had increased substantially during the financial year under review.

B2 Comment on current quarter result as compared with the immediate preceding quarter

	Current Quarter ended 31.01.2013 RM'000	Preceding Quarter ended 31.10.2012 RM'000
Revenue	113,449	133,866
Profit before tax	1,720	7,301
(Loss) / Profit after tax	(2,537)	7,301
Attributable to :		
Equity holders of the parent company	(2,312)	7,478
Non-controlling interests	(225)	(177)

The current quarter revenue was RM20.4 million lower than that recorded in the preceding quarter. The Communication & System Integration segment and Defence Maintenance segment recorded an increase in revenue of RM5.5 million and RM0.6 million respectively due to more projects completed in this quarter. However, the revenue from the Manufacturing segment declined by RM26.5 million due to less products shipped as a result of soften demand from the customers.

The Group recorded a loss after taxation attributable to the owners of the parent of RM 2.3 million as compared to the profit of RM7.5 million in the preceding quarter. The loss was mainly attributed to the additional tax assessment together with the penalty raised by Inland Revenue Board as described in B1.

B3 Prospect for the financial year ending 31 January 2013

The efforts and focus to improve the sales and marketing executions and re-alignment of business model have contributed to the higher revenue and profitability for the financial year ended 31st January 2013. We will continue to improve our sales and marketing executions and continue our on-going efforts to contain cost and improve operational efficiency to deliver a better financial performance for the coming financial year ending 31st January 2014.

B4 Profit Forecast or Profit Guarantee

The Group did not announce or disclose any profit forecast or profit guarantee during the current financial quarter under review.

B5 Profit / (Loss) Before Taxation

	Current Year Quarter Ended 31.01.2013 RM'000	Preceding Year Quarter Ended 31.01.2012 RM'000	Current Year To Date 31.01.2013 RM'000	Preceding Year To Date 31.01.2012 RM'000
Profit / (Loss) before taxation is arrived at after charging / (crediting):-				
Interest Income	(96)	(133)	(229)	(220)
Other Income (excluding interest income)	(1,012)	(156)	(1,808)	(789)
Interest Expenses	848	974	3,461	3,644
Depreciation and Amortisation	1,193	1,224	4,739	5,015
Provision for warranty cost	173	-	64	-
(Gain) / Loss on disposal of property, plant & Equipment	(2)	41	(77)	(25)
(Gain)/Loss on foreign exchange	(496)	(224)	579	(1,392)

Other than the items mentioned above, there were no provision for and /or write off of inventories, impairment of assets, gain or loss on derivatives and exceptional items for the current quarter and financial period ended 31 January 2013.

B6 Tax Expenses

	Current Quarter 31.01.2013 RM'000	Current Year To Date 31.01.2013 RM'000
Current Income Tax	-	14
Taxation Prior Year	4,257	4,257
	<u>4,257</u>	<u>4,271</u>

The effective tax rate for the current year to date is higher than the statutory tax rate due to the additional tax assessment raised by the Inland Revenue Board (IRB) amounting to RM 4.2 million in Comintel Sdn Bhd (CSB) a wholly owned subsidiary of Comintel Corporation Berhad (Comcorp) arising from the tax audit conducted by IRB for Y/A 2005 to Y/A 2008. CSB has filed an appeal to the IRB as CSB strongly believe that major portion of the said additional assessment raised is without merit.

B7 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.

B8 Quoted Securities

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

B9 Corporate Proposals***Status of corporate proposal announced*****Acquisition of 200,000 shares of USD1.00 each in PT. Intelcom Indonesia**

On 8 October 2012, the Company acquired 80% equity interest comprising 200,000 shares of USD1.00 each in PT. Intelcom Indonesia, at a total cash consideration of USD200,000. The company has since commenced business.

B10 Realised and Unrealised Profit/(Loss) Disclosure for the Current Year to date

	Current Year To Date 31.01.2013 RM'000	(Audited) Year To Date 31.01.2012 RM'000 (Restated)
Total retained profits / (accumulated losses) of COMCORP and its subsidiaries :		
- Realised	18,880	16,147
- Unrealised	(1,617)	(1,989)
	17,263	14,158
	17,263	14,158
Less: Consolidation adjustments	(24,114)	(24,282)
Total group (accumulated losses) as per consolidated accounts	(6,851)	(10,124)

B11 Group Borrowings

	Payable within 12 months	Payable after 12 months	Total
	RM'000	RM'000	RM'000
<u>Secured</u>			
Bank Borrowings	92,812	-	92,812
Hire purchase payables	317	419	736
Total Borrowings	93,129	419	93,548

B12 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.

B13 Changes in material litigation

Save as disclosed below, Comintel Corporation Bhd ("Comcorp") and its subsidiary companies are not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors of Comcorp have no knowledge of any proceedings pending or threatened against Comcorp and/or its subsidiary companies or of any facts likely to give rise to any proceedings which may materially and adversely affect the position and/or business of Comcorp and its subsidiary companies:-

On 16 July 2010, Comintel Sdn Bhd ("Comintel"), a wholly owned subsidiary of the Company, commenced legal action against U Television Sdn Bhd ("1st Defendant") and Tan Sri Dato' Seri Vincent Tan Chee Yioun ("2nd Defendant") at the Kuala Lumpur High Court under suit no. S-22-624-2010.

U Television Sdn Bhd and Tan Sri Dato' Seri Vincent Tan Chee Yioun have applied to the High Court to strike out the Writ of Summons and Statement of Claim filed by Comintel against the 1st and 2nd Defendants (the Striking Out Application). The Striking Out Application was fixed for hearing on 25 May 2011 and was dismissed with costs of RM5,000 to be paid by the Defendants to Comintel. The Defendants filed their Defence and Amended Counter Claim against Comintel on 11 August 2011. Comintel then filed their Reply and Defence to the Amended Counter Claim on 12 August 2011. Comintel has filed its Pre-Trial Case Management Notice on 14 September 2011. The first Pre-Trial Case Management was then fixed on 24 October 2011 at the Kuala Lumpur High Court, during which the High Court has directed the parties to prepare and file the pre-trial cause papers. The matter was then fixed for a further Case Management on 30 July 2012 at the Kuala Lumpur High Court, for both parties to comply with the case management directions.

The case management scheduled on 30th July 2012 was then brought forward to 29th June 2012 before the Judge. The Trial date for this suit is fixed from 8th - 12th April 2013.

The Judge has also fixed the matter for further case management on 27.09.2012, for parties to comply with the remaining case management directions. During the case management on 27.09.2012, the Judge made an order for mediation and expected the mediation process to be completed within 2 months. If parties were not able to arrive at a settlement from mediation within this time, then the remaining case management directions must be complied with. A further case management was fixed on 30.11.2012 for parties to update the Court on the mediation and the remaining case management directions.

The mediation was initially fixed on 27.11.2012 but was adjourned by the Court Mediation Centre. The mediation is now fixed on 31.01.2013.

As the mediation could not be conducted before the case management on 30.11.2012, the Judge had fixed the matter for further case management on 19.02.2013 for parties to update the Court on the outcome of the mediation and to comply with the remaining case management directions.

The mediation fixed on 31.1.2013 was unsuccessful.

During the case management on 19.2.2013, the Judge fixed the matter for further case management on 21.3.2013 for parties to comply with the remaining case management directions. The Judge also fixed 21.3.2013 for the hearing of Comintel's application for the inspection of the system equipment and for the demonstration of the same. The Judge directed that all affidavits in regards to this application have to be exhausted by 21.3.2013.

B14 Proposed Dividends

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

B15 Earnings Per share ("EPS")

The basic earnings per share is calculated by dividing profit 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 31 January 2013 and is as follows:-

	Current Qtr 31.01.2013	Cumulative Qtr To-date 31.01.2013
(Loss) / Profit attributable to owners of the parent (RM'000)	(2,312)	3,273
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	140,000	140,000
(Loss) / Profit per share (sen)	(1.65)	2.34

B16 Comparative Figures

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

B17 Audit Report Qualification and Status of Matters Raised

The audited financial statements of the Group for the preceding year ended 31 January 2012 were not subject to any qualification.

B18 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 21 March 2013.

Date: 21-Mar-2013