

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

	Note	Current Year Quarter Ended 31.10.2013 RM'000	Preceding Year Quarter Ended 31.10.2012 RM'000	Current Year To Date 31.10.2013 RM'000	Preceding Year To Date 31.10.2012 RM'000
Revenue	A9	88,530	133,866	232,317	302,748
Cost of sales		(82,416)	(120,999)	(223,694)	(280,595)
Gross profit		6,114	12,867	8,623	22,153
Other operating income		861	248	1,381	928
Other operating, administrative, selling and distribution expenses		(4,709)	(4,871)	(14,790)	(15,287)
Profit / (Loss) from Operations		2,266	8,244	(4,786)	7,794
Finance cost		(687)	(943)	(2,118)	(2,612)
Profit / (Loss) before taxation	A9	1,579	7,301	(6,904)	5,182
Taxation	B6	10	-	(70)	(14)
Profit / (Loss) for the period		1,589	7,301	(6,974)	5,168
<b>Other Comprehensive income:</b>					
Currency translation differences for foreign operations		(122)	(72)	3	32
<b>Total Comprehensive Income for the period</b>		<u>1,467</u>	<u>7,229</u>	<u>(6,971)</u>	<u>5,200</u>
<b>Profit / (Loss) attributable to:</b>					
Equity holders of the parent company		1,527	7,478	(6,854)	5,584
Non-controlling interests		62	(177)	(120)	(416)
		<u>1,589</u>	<u>7,301</u>	<u>(6,974)</u>	<u>5,168</u>
<b>Total Comprehensive Income attributable to:</b>					
Equity holders of the parent company		1,413	7,406	(6,842)	5,616
Non-controlling interests		54	(177)	(129)	(416)
		<u>1,467</u>	<u>7,229</u>	<u>(6,971)</u>	<u>5,200</u>
<b>Profit / (Loss) per share</b>					
- Basic (sen)	B15	1.09	5.34	(4.90)	3.99
- Diluted (sen)	B15	1.09	5.34	(4.90)	3.99

**Note:**

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

	Note	As At 31.10.2013 RM'000	(Audited) As At 31.01.2013 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		66,424	68,689
Investment in unquoted shares		1,052	1,052
		<u>67,476</u>	<u>69,741</u>
<b>Current assets</b>			
Inventories		74,564	86,295
Trade receivables		69,961	66,771
Other receivables, deposits and prepayment		4,693	7,519
Cash and bank balances		25,080	29,917
		<u>174,298</u>	<u>190,502</u>
<b>TOTAL ASSETS</b>		<u>241,774</u>	<u>260,243</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
Capital Reserves		10,863	10,863
Other Reserves		114	102
Accumulated Losses	B10	(13,531)	(6,677)
Total Equity attributable to equity holders of the parent		93,191	100,033
Non-controlling interests		2,224	2,353
<b>Total equity</b>		<u>95,415</u>	<u>102,386</u>
<b>Non-current liabilities</b>			
Hire purchase payables	B11	455	419
Deferred tax liabilities		4,513	4,513
		<u>4,968</u>	<u>4,932</u>
<b>Current liabilities</b>			
Trade payables		43,844	45,456
Other payables and accruals		8,240	8,329
Provision for warranty		167	404
Short term borrowings	B11	82,220	88,191
Bank overdraft	B11	1,839	4,621
Hire purchase payables	B11	282	317
Provision for taxation		4,799	5,607
		<u>141,391</u>	<u>152,925</u>
<b>Total liabilities</b>		<u>146,359</u>	<u>157,857</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>241,774</u>	<u>260,243</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.6657	0.7145

**Note:**

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

Note	Share Capital		Share Premium		Revaluation Reserves		Translation Reserves		Attributable to equity holders of the parent (Non Distributable) (Distributable)		Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>9 months period ended 31st October 2013</b>												
	70,000	25,745	10,863	102	(6,677)	100,033	2,353	102,386				
<b>Balance at 1st February 2013</b>												
<b>Changes in equity during the year:</b>												
(Loss) for the period	-	-	-	-	(6,854)	(6,854)	(120)	(6,974)				
Other comprehensive income	-	-	-	12		12	(9)	3				
Total comprehensive income for the period	-	-	-	12	(6,854)	(6,842)	(129)	(6,971)				
Balance as at 31st October 2013	70,000	25,745	10,863	114	(13,531)	93,191	2,224	95,415				
<b>9 months period ended 31st October 2012</b>												
	70,000	25,745	1,354	67	(10,124)	87,042	2,877	89,919				
<b>Balance at 1st February 2012</b>												
Profit / (Loss) for the period	-	-	-	-	5,584	5,584	(416)	5,168				
Other comprehensive income	-	-	-	32		32		32				
Total comprehensive income for the period	-	-	-	32	5,584	5,616	(416)	5,200				
Balance as at 31st October 2012	70,000	25,745	1,354	99	(4,540)	92,658	2,461	95,119				

**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 2013 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 THIRD QUARTER ENDED 31 OCTOBER 2013**

(The figures have not been audited)

	Current Year To Date 31.10.2013 RM'000	Preceding Year To Date 31.10.2012 RM'000
<b>Cash flows from operating activities</b>		
(Loss) / Profit before taxation	(6,904)	5,182
<b>Adjustments for non cash and non operating items:</b>		
Depreciation of property, plant & equipment	3,155	3,546
Hire purchase interest	32	50
Interest expenses	2,089	2,562
Fixed Asset written-off	(310)	-
(Gain) on disposal of property, plant & equipment	(98)	(75)
Warranty costs Incurred	(237)	(109)
Interest income	(102)	(133)
Operating cash flow before working capital changes	(2,375)	11,023
Inventories	11,731	(35,208)
Trade receivables	(3,190)	(34,937)
Other receivables, deposits and prepayments	2,826	(2,649)
Trade payables	(1,612)	51,616
Other payables and accruals	(77)	3,053
Net cash flow from operations	7,303	(7,102)
Finance Charges	(2,121)	(2,612)
Income tax (paid)/refund	(888)	(14)
Net operating cash flow	4,294	(9,728)
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(891)	(1,408)
Proceeds from disposal of property, plant & equipment	409	75
Interest income received	102	133
Net investing cash flow	(380)	(1,200)
<b>Cash flows from financing activities</b>		
Net (repayment)/drawdown of bank borrowings	(5,081)	15,425
Net (repayment) of term loans	(890)	(1,074)
Net (repayment) of hire purchase liabilities	(499)	(170)
Funding of hire purchase liabilities	500	-
Net financing cash flow	(5,970)	14,181
<b>Net changes in cash and cash equivalents</b>	(2,056)	3,253
<b>Cash and cash equivalents at the beginning of the period</b>	25,297	23,075
<b>Cash and cash equivalents at the end of the period</b>	23,241	26,328
<b>Analysed into:</b>		
Deposits with financial institutions	6,699	7,527
Cash and bank balances	18,381	21,569
Bank overdrafts	(1,839)	(2,768)
<b>Cash and cash equivalents at the end of the period</b>	23,241	26,328

**Note:**

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2013 and the accompanying explanatory notes attached to the interim financial statements.

# COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630668-T)

## Notes to the Interim Financial Report - 3rd Quarter ended 31th October 2013

### Part A.

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

##### A1 Basis of Preparation

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

The unaudited interim financial statements should be read in conjunction with the Group's annual audited financial statements for the year ended 31 January 2013.

##### A2 Changes in Accounting Policies

The significant accounting policies adopted by the Company are consistent with those used in the Audited Financial Statements of the Company for the financial year ended 31 January 2013 except for the changes arising from the adoption of the following new MFRSs, Amendments to MFRSs and Issues Committee Interpretations ("IC Interpretations") that are effective for the financial period on or after 1 January 2013

###### (a) Standards issued and effective

On 1 January 2013, the following new and amended MFRS and IC Interpretations are mandatory for annual financial periods beginning on or after 1 January 2013.

	effective for financial periods beginning on or after
MFRS 3, Business Combinations (IFRS 3 <i>Business Combinations</i> issued by IASB in March 2004)	1 January 2013
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 127, Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2004)	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 : Transition Guidance	1 January 2013
Amendments to MFRS 11, Joint Arrangements : Transition Guidance	1 January 2013
Amendments to MFRS 12, Disclosure of Interests in other Entities: Transition Guidance	1 January 2013
IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

**(b) Standards issued but not yet effective**

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

	effective for financial periods beginning on or after
MFRS 9, Financial Instruments (IFRS 9 issued by IASB in Nov 2009)	1 January 2015
MFRS 9, Financial Instruments (IFRS 9 issued by IASB in Nov 2010)	1 January 2015
Amendments to MFRS 9, Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, Consolidated Financial Statements: Investment Entities	1 January 2014
Amendments to MFRS 12, Disclosure of Interests in Other Entities: Investment Entities	1 January 2014
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

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

**A3 Audit qualification**

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

**A4 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.

**A5 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 October 2013.

**A6 Change In Estimates**

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

**A7 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.

**A8 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.

## A9 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 (period ended 31 October 2013)**

Segment revenue	Investment Holding RM'000	Manufacturing RM'000	Communications & Systems Integration RM'000	Defence Maintenance RM'000	Consolidated RM'000
Malaysia	-	-	14,321	1,416	15,737
Overseas	-	216,141	439	-	216,580
Total Revenue	-	216,141	14,760	1,416	232,317

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

Segment results	(623)	(1,424)	(2,799)	60	(4,786)
Finance costs					(2,118)
(Loss) before taxation					(6,904)
Taxation					(70)
(Loss) for the period					(6,974)

#### **Segment Assets**

Segment Assets	579	188,179	50,510	1,454	240,722
Investment in unquoted shares					1,052
Consolidated total assets					241,774

#### **Preceding Year (period ended 31 October 2012)**

Segment revenue	Investment Holding RM'000	Manufacturing RM'000	Communications & Systems Integration RM'000	Defence Maintenance RM'000	Consolidated RM'000
Malaysia	-	-	13,457	987	14,444
Overseas	-	288,304	-	-	288,304
Total Revenue	-	288,304	13,457	987	302,748

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

Segment results	(743)	12,915	(3,215)	(1,163)	7,794
Finance costs					(2,612)
Profit before taxation					5,182
Taxation					(14)
Profit for the period					5,168

#### **Segment Assets**

Segment Assets	837	228,108	50,806	3,038	282,789
Investment in unquoted shares					1,052
Consolidated total assets					283,841

**A10 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.

**A11 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.

**A12 Changes in the composition of the group**

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

**A13 Contingent liabilities and contingent assets**

As at 31 October 2013, total bank guarantees outstanding relating to performance and tenders amounted to RM3.96 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 RM88.75 million was utilised as at 31 October 2013.

**A14 Capital Commitments**

There were no material capital commitments as at 31 October 2013 and up to the date of this report.

**A15 Related Party Transactions**

The Group's related party transactions for the current quarter and the cumulative period-to-date ended 31 October 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	776	-	776
Director, other key management	-	81	81
<b>Total for type of transaction</b>	<b>776</b>	<b>81</b>	<b>857</b>



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

(Company No. 630068-T)

**Notes to the Interim Financial Report - 3rd Quarter ended 31st October 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 RM88.5 million for the current quarter ended 31st Oct 2013, a decline of 33.9% or RM45.3 million as compared to the corresponding quarter last year.

For the current quarter under review, the Manufacturing Segment recorded a revenue of RM81.9 million, a decline of RM41.5 million as compared to the corresponding quarter last year. Revenue from the Defence Maintenance Segment improved by RM0.8 million while the revenue from the Communication & System Integration Segment declined by RM4.6 million.

The Group recorded a net profit of RM1.6 million for the 2rd quarter under review. For the financial year-to-date, the Group recorded a net loss of RM7.0 million as compared to the net profit of RM7.3 million in the preceding financial year-to-date. The loss was mainly attributed to the lower revenue recorded by the Manufacturing Segment.

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

	Current Quarter ended 31.10.2013 RM'000	Preceding Quarter ended 31.07.2013 RM'000
Revenue	88,530	74,017
Profit/(Loss) before tax	1,579	(4,500)
Profit/(Loss) after tax	1,589	(4,540)
Attributable to :		
Equity holders of the parent company	1,527	(4,408)
Non-controlling interests	62	(132)

The current quarter revenue was RM14.5 million or 19.6% higher than that recorded in the preceding quarter. The Manufacturing Segment contributed 94% of the increased revenue.

The Group recorded a net profit attributable to the owners of the parent of RM1.5 million as compared to the net loss of RM4.4 million in the preceding quarter. The net profit recorded in the current quarter was mainly attributed to more products being shipped by the Manufacturing Segment.

**B3 Prospect for the financial year ending 31st January 2014**

The economic and business landscape of the electronics manufacturing services and ICT industries remain very challenging. The Group will continue its on-going efforts to focus in operational efficiency and contain cost to stay competitive in the market.

With the diversification efforts especially in the green technologies sector, the Group has recently secured its first Feed-in Tariff (FiT) contract with Tenaga Nasional Berhad (TNB) to provide a 2MW green electricity. The maiden plant is expected to be in operation in the 3rd quarter of 2014, the concession to supply the green electricity to TNB as approved by the Sustainable Energy Development Authority (SEDA) is for a period of 16 years. We anticipate the green technology sector to contribute positively towards the growth and profitability of the Group in the coming years.

**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 31.10.2013 RM'000	Preceding Year Quarter Ended 31.10.2012 RM'000	Current Year To Date 31.10.2013 RM'000	Preceding Year To Date 31.10.2012 RM'000
Profit / (Loss) before taxation is arrived at after charging / (crediting):-				
Interest Income	(34)	(39)	(102)	(133)
Other Income (excluding interest income)	(827)	(209)	(1,279)	(795)
Interest Expenses	689	944	2,118	2,612
Depreciation of property, plant & equipment	867	1,176	3,155	3,546
Warranty cost incurred	(34)	(7)	(237)	(109)
(Gain) on disposal of property, plant & Equipment	(67)	-	(98)	(75)
(Gain) on foreign exchange	875	1,094	491	1,075

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 October 2013.

**B6 Tax Expenses**

	Current Quarter 31.10.2013 RM'000	Current Year To Date 31.10.2013 RM'000
Current Income Tax	(10)	70
Deferred Taxation	-	-
	<u>(10)</u>	<u>70</u>

The effective tax rate for the current year-to-date is higher than the statutory tax rate due to certain expenses which are not allowable for tax purposes.

**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**

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

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

	Current Year To Date 31.10.2013 RM'000	(Audited) Year To Date 31.01.2013 RM'000
Total retained profits / (accumulated losses) of COMCORP and its subsidiaries :		
- Realised	15,365	22,197
- Unrealised	(4,820)	(4,759)
	10,545	17,438
Less: Consolidation adjustments	10,545	17,438
Total group (accumulated losses) as per consolidated accounts	(24,076)	(24,115)
	(13,531)	(6,677)

**B11 Group Borrowings**

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<b>Secured</b>			
Bank Borrowings	84,059	-	84,059
Hire purchase payables	282	455	737
Total Borrowings	84,341	455	84,796

**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:-

#### As Previously Reported:

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.

#### Current Update:

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. Comintel's application for inspection was fixed for decision on 29.3.2013. The Judge was of the view that this application cannot be decided before the commencement of the trial because oral testimony has not been led. She therefore made no order on this application until oral evidence is led at trial when she is in a better position to consider whether a demonstration of the POC system is necessary. The application is adjourned indefinitely and costs are ordered to be in the cause.

The trial for the matter had commenced on 8.4.2013, 9.4.2013, 12.4.2013 and 26.4.2013. The Plaintiff had closed its case and the Defendant's case is currently in progress. The matter has been fixed for continued trial on 19.6.2013.

On 19.6.2013, the Defendants called their final witness, thereby closing their case, and concluding the oral testimony of all witnesses. The Judge directed parties to file and simultaneously exchange their written closing submissions by 18.7.2013. The Judge also fixed 16.8.2013 for parties to appear before her for clarification and to hear oral replies to the submissions filed. Parties are at liberty to file skeletal reply submissions before 16.8.2013.

The decision which was fixed on 20 September 2013 had been postponed to 3.10.2013.

On 3.10.2013, the Judge delivered her decision as follows:-

1. The Plaintiff's claim for RM 11,217,797.84 in respect of the remaining value of work done for Phase I of the Project is allowed;
2. Special damages in the way of storage and insurance costs of the Transmitters is allowed up to the time of the removal of the transmitters by the 1st Defendant, and the latest account to be provided by the Plaintiff;
3. Interest at the rate of 5% per annum on the amounts awarded from the date of filing of the Writ to the date of full realization;
4. In the event the 1st Defendant fails to make payment of the balance of the award within the period specified in the order, the 2nd Defendant shall be liable to pay the Plaintiff the amount of the award plus interest at the rate of 5% per annum from the date of the order to the date of payment.

4. In the event the 1st Defendant fails to make payment of the judgment sum, the 2nd Defendant shall be liable to pay;
5. The 1st Defendant's counterclaim is dismissed;
6. Consequential order that the 1st Defendant remove the entire transmitter system that is currently stored in the Plaintiff's premises and the bonded warehouse within a month; and
7. Costs of RM 75,000.00 to be paid by the Defendants to the Plaintiff. **(the Judgment)**"

On 11.10.2013, the Defendants applied for a stay of execution of the Judgment **(the Stay Application)**. The Stay Application was fixed for hearing on 16.10.2013 where the Judge made the following orders:

1. The Defendants to pay into a stakeholder's account held jointly by the solicitors of the Plaintiff and the Defendants, namely Messrs Gan Partnership and Messrs Lee Hishammuddin Allen & Gledhill respectively the following sums:
  - (a) RM11,217,797.84 together with interest thereon at the rate of 5% per annum from 5.07.2010 until the date of payment of the said sum into the joint stakeholders' account; and
  - (b) storage and insurance costs of the Transmitters in the sum of RM284,905.15 as at 31.10.2012 together with interest thereon at the rate of 5% per annum from 5.07.2010 until the date of payment of the said sum into the joint stakeholders' account,  
within 14 days from 16.10.2013.
2. all forms and/or mode of execution and/or enforcement proceedings based on and/or arising from and/or in relation to the Judgment and/or Order dated 3.10.2013 given by the High Court ("**Judgment**"), including but not limited to commencing and/or filing of winding-up proceedings against the 1<sup>st</sup> Defendant and/or bankruptcy proceedings against the 2<sup>nd</sup> Defendant in order to enforce payment of the Judgment, be stayed forthwith until the full and disposal of the Defendants' appeal to the Court of Appeal against the Judgment ("**Appeal**");
3. the operation and/or the enforcement and/or the execution of the Judgment be stayed and/or suspended pending the disposal of the Defendants' Appeal to the Court of Appeal;
4. In the event the Defendants' said Appeal to the Court of Appeal is dismissed, the monies in the joint stakeholders' account are to be released to the Plaintiff forthwith;
5. In the event the Defendants' Appeal to the Court of Appeal is allowed, the monies in the joint stakeholders' account are to be returned to the Defendants forthwith;
6. Cost of this application shall be in the cause of the Defendants' said Appeal to the Court of Appeal; and
7. Parties are at liberty to apply.

RM13,420,473.93 was placed in REPO on 11.11.2013.

#### **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 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 October 2013 and is as follows:-

	Current Qtr 31.10.2013	Cumulative Qtr To-date 31.10.2013
Profit/(Loss) attributable to owners of the parent (RM'000)	1,527	(6,854)
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	140,000	140,000
Profit/(Loss) per share (sen)	1.09	(4.90)

**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 2013 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 12 December 2013.

**Date:** 12-Dec-2013