

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 31 JULY 2014****(The figures have not been audited)**

	Note	Current Year Quarter Ended 31.07.2014 RM'000	Preceding Year Quarter Ended 31.07.2013 RM'000	Current Year To Date 31.07.2014 RM'000	Preceding Year To Date 31.07.2013 RM'000
Revenue	A9	67,213	74,017	140,558	143,787
Cost of sales		(64,156)	(72,935)	(133,861)	(141,277)
Gross profit		<u>3,057</u>	<u>1,082</u>	<u>6,697</u>	<u>2,510</u>
Other operating income		312	251	566	519
Other operating, administrative, selling and distribution expenses		(4,527)	(5,082)	(8,630)	(10,081)
(Loss) from Operations		<u>(1,158)</u>	<u>(3,749)</u>	<u>(1,367)</u>	<u>(7,052)</u>
Finance cost		(899)	(751)	(1,723)	(1,431)
(Loss) before taxation	A9	<u>(2,057)</u>	<u>(4,500)</u>	<u>(3,090)</u>	<u>(8,483)</u>
Taxation	B6	(25)	(40)	(43)	(80)
(Loss) for the period		<u>(2,082)</u>	<u>(4,540)</u>	<u>(3,133)</u>	<u>(8,563)</u>
Other Comprehensive income:					
Currency translation differences for foreign operations		(73)	194	(134)	125
Total Comprehensive Income for the period		<u>(2,155)</u>	<u>(4,346)</u>	<u>(3,267)</u>	<u>(8,438)</u>
(Loss) attributable to:					
Equity holders of the parent company		(2,024)	(4,408)	(2,841)	(8,381)
Non-controlling interests		(58)	(132)	(292)	(182)
		<u>(2,082)</u>	<u>(4,540)</u>	<u>(3,133)</u>	<u>(8,563)</u>
Total Comprehensive Income attributable to:					
Equity holders of the parent company		(2,097)	(4,215)	(2,975)	(8,255)
Non-controlling interests		(58)	(131)	(292)	(183)
		<u>(2,155)</u>	<u>(4,346)</u>	<u>(3,267)</u>	<u>(8,438)</u>
Profit / (Loss) per share					
- Basic (sen)	B15	(1.45)	(3.15)	(2.03)	(5.99)
- Diluted (sen)	B15	(1.45)	(3.15)	(2.03)	(5.99)

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2014 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 JULY 2014

		(Audited)
	As At	As At
	31.07.2014	31.01.2014
	RM'000	RM'000
ASSETS	Note	
Non-current assets		
Property, plant and equipment		65,726
Investment in unquoted shares		1,052
		<u>65,993</u>
Current assets		
Inventories		83,692
Trade receivables		65,306
Other receivables, deposits and prepayment		7,167
Cash and bank balances		27,035
		<u>163,534</u>
		<u>183,200</u>
TOTAL ASSETS		<u>229,527</u>
		<u>249,978</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital		70,000
Share premium		25,745
Capital Reserves		10,862
Other Reserves		148
Accumulated Losses	B10	(10,656)
Total Equity attributable to equity holders of the parent		<u>93,258</u>
Non-controlling interests		1,819
Total equity		<u>94,785</u>
		<u>98,052</u>
Non-current liabilities		
Long term borrowings	B11	-
Hire purchase payables	B11	393
Deferred tax liabilities		4,309
		<u>4,296</u>
		<u>4,702</u>
Current liabilities		
Trade payables		53,689
Other payables and accruals		6,884
Provision for warranty		412
Short term borrowings	B11	78,214
Bank overdraft	B11	2,641
Hire purchase payables	B11	253
Provision for taxation		4,570
		<u>124,124</u>
		<u>147,224</u>
Total liabilities		134,742
		151,926
TOTAL EQUITY AND LIABILITIES		<u>229,527</u>
		<u>249,978</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.6874
		0.6661

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 January 2014 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 SECOND QUARTER ENDED 31 JULY 2014

(The figures have not been audited)

Note	----- Attributable to equity holders of the parent -----							
	<----- (Non Distributable) ----->				(Distributable)		Non-controlling Interest	Total Equity
	Share Capital	Share Premium	Revaluation Reserves	Translation Reserves	(Accumulated Losses) / Retained Profits	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
6 months period ended 31 July 2014								
Balance at 1 February 2014	70,000	25,745	10,862	282	(10,656)	96,233	1,819	98,052
Changes in equity during the year:								
(Loss) for the period	-	-	-	-	(2,841)	(2,841)	(292)	(3,133)
Other comprehensive income	-	-	-	(134)	-	(134)	-	(134)
Total comprehensive income for the period	-	-	-	(134)	(2,841)	(2,975)	(292)	(3,267)
Balance as at 31 July 2014	70,000	25,745	10,862	148	(13,497)	93,258	1,527	94,785
6 months period ended 31 July 2013								
Balance at 1 February 2013	70,000	25,745	10,862	102	(6,677)	100,032	2,353	102,385
(Loss) for the period	-	-	-	-	(8,381)	(8,381)	(182)	(8,563)
Other comprehensive income	-	-	-	126	-	126	(1)	125
Total comprehensive income for the period	-	-	-	126	(8,381)	(8,255)	(183)	(8,438)
Balance as at 31 July 2013	70,000	25,745	10,862	228	(15,058)	91,777	2,170	93,947

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 2014 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 SECOND QUARTER ENDED 31 JULY 2014****(The figures have not been audited)**

	Current Year To Date 31.07.2014 RM'000	Preceding Year To Date 31.07.2013 RM'000
Cash flows from operating activities		
(Loss) before taxation	(3,090)	(8,483)
Adjustments for non cash and non operating items:		
Depreciation of property, plant & equipment	1,427	2,288
Hire purchase interest	16	21
Interest expenses	1,709	1,411
(Gain) on disposal of property, plant & equipment	(124)	(30)
Warranty costs incurred	(96)	(203)
Interest income	(57)	(68)
Operating cash flow before working capital changes	<u>(215)</u>	<u>(5,064)</u>
Inventories	15,153	9,092
Trade receivables	10,175	10,409
Other receivables, deposits and prepayments	(5,048)	2,516
Trade payables	(23,770)	(12,168)
Other payables and accruals	1,381	(1,649)
Net cash flow from operations	<u>(2,324)</u>	<u>3,136</u>
Finance Charges	(1,725)	(1,432)
Income tax (paid)/refund	(617)	57
Net operating cash flow	<u>(4,666)</u>	<u>1,761</u>
Cash flows from investing activities		
Purchase of property, plant & equipment	(642)	(152)
Proceeds from disposal of property, plant & equipment	124	31
Interest income received	57	68
Net investing cash flow	<u>(461)</u>	<u>(53)</u>
Cash flows from financing activities		
Net Drawdown / (repayment) of bank borrowings	3,861	(12,150)
Net (repayment) of term loans	(1,485)	(715)
Net (repayment) of hire purchase liabilities	(130)	(161)
Net financing cash flow	<u>2,246</u>	<u>(13,026)</u>
Net changes in cash and cash equivalents	<u>(2,881)</u>	<u>(11,318)</u>
Cash and cash equivalents at the beginning of the period	<u>24,394</u>	<u>25,295</u>
Cash and cash equivalents at the end of the period	<u><u>21,513</u></u>	<u><u>13,977</u></u>
Analysed into:		
Deposits with financial institutions	5,751	6,570
Cash and bank balances	21,898	10,564
Bank overdrafts	(6,136)	(3,157)
Cash and cash equivalents at the end of the period	<u><u>21,513</u></u>	<u><u>13,977</u></u>

Note:

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2014 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 - 2nd Quarter ended 31st July 2014

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 2014.

A2 Changes in Accounting Policies

The significant accounting policies adopted by the Company in this report are consistent with those used in the Audited Financial Statements of the Company for the financial year ended 31 January 2014.

(a) Standards issued and effective

The following new and amended MFRS and IC Interpretations are mandatory for annual financial periods beginning on or after 1 January 2014 and 1 July 2014.

	effective for financial periods beginning on or after
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
Amendments to MFRS 136, Impairment of Assets	1 January 2014
- Recoverable Amount Disclosures for Non-Financial Assets	
Amendments to MFRS 139, Financial Instruments: Recognition and Measurement	1 January 2014
- Novation of Derivatives and Continuation of Hedge Accounting	
IC Interpretation 21, Levies	1 January 2014
Amendments to MFRS 119, Employee Benefits - Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 3, Business Combinations	1 July 2014
- (Annual Improvements to MFRSs 2010-2012 Cycle)	
Amendments to MFRS 8, Operating Segments	1 July 2014
- (Annual Improvements to MFRSs 2010-2012 Cycle)	
Amendments to MFRS 116, Property, Plant and Equipment	1 July 2014
- (Annual Improvements to MFRSs 2010-2012 Cycle)	
Amendments to MFRS 124, Related party disclosures	1 July 2014
- (Annual Improvements to MFRSs 2010-2012 Cycle)	
Amendments to MFRS 138, Intangible Assets	1 July 2014
- (Annual Improvements to MFRSs 2010-2012 Cycle)	
Amendments to MFRS 140, Intangible Assets	1 July 2014
- (Annual Improvements to MFRSs 2011-2013 Cycle)	

The Directors expect that the adoption of the new and amended MFRSs and IC Interpretations above will have no material impact on the financial statements in the period of initial application.

(b) Standards issued but not yet effective

effective for
financial periods
beginning on or after

Amendments to MFRS 11, Accounting for Acquisitions on Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 & MFRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

(c) Effective for a date yet to be confirmed

MFRS 9	Financial Instruments (2009)
MFRS 9	Financial Instruments (2010)
Amendments to MFRS 7	Financial Instruments: Disclosures - Mandatory Effective Date of MFRS 9 and Transition Disclosures
Amendments to MFRS 9	Financial Instruments: Hedge Accounting

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application, except as described below:

MFRS 9, Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS 9, all financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Group and the Company are currently assessing impact of adopting MFRS 9.

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 July 2014.

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 July 2014)

Segment revenue	Investment Holding	Manufacturing	Communications & Systems Integration	Defence Maintenance	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	-	-	2,711	611	3,322
Overseas	-	137,236	-	-	137,236
Total Revenue	-	137,236	2,711	611	140,558

Results from operating activities

Segment results	(385)	2,167	(3,148)	(1)	(1,367)
Finance costs					(1,723)
(Loss) before taxation					(3,090)
Taxation					(43)
(Loss) for the period					(3,133)

Segment Assets

Segment Assets	570	174,623	52,223	1,059	228,475
Investment in unquoted shares					1,052
Consolidated total assets					229,527

Preceding Year (period ended 31 July 2013)

Segment revenue	Investment Holding	Manufacturing	Communications & Systems Integration	Defence Maintenance	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	-	-	8,629	503	9,132
Overseas	-	134,190	465	-	134,655
Total Revenue	-	134,190	9,094	503	143,787

Results from operating activities

Segment results	(456)	(3,724)	(2,586)	(286)	(7,052)
Finance costs					(1,431)
(Loss) before taxation					(8,483)
Taxation					(80)
(Loss) for the period					(8,563)

Segment Assets

Segment Assets	586	170,160	50,082	1,426	222,254
Investment in unquoted shares					1,052
Consolidated total assets					223,306

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 July 2014, total bank guarantees outstanding relating to performance and tenders amounted to RM3.73 million. The company has provided corporate guarantee amounting to RM233.26 million to financial institutions for banking facilities made available to its subsidiaries of which RM91.0 million is utilised as at 31 July 2014.

A14 Capital Commitments

There were no material capital commitments as at 31 July 2014 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 July 2014 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	-	54	54
Total for type of transaction	-	54	54

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

Notes to the Interim Financial Report - 2nd Quarter ended 31st July 2014**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 RM67.2 million for the current financial quarter ended 31st July 2014, a decrease of 9.2% or RM6.8 million as compared to the corresponding quarter last year.

For the current quarter under review, Manufacturing Segment recorded a revenue of RM64.7 million, a decrease of RM3.5 million as compared to the corresponding quarter last year. Communication & System Integration Segment and Defence Maintenance Segment recorded a revenue of RM1.9 million (corresponding quarter last year: RM5.6 million) and RM0.5 million (corresponding quarter last year: RM0.2million) respectively.

For the financial year-to-date, the Group recorded a net loss of RM2.8 million as compared to the net loss of RM8.4 million in the preceding financial year-to-date. The Manufacturing and Defense Maintenance Segments recorded a net profit of RM1.1 million and RM0.1 million respectively while the Communication & System Integration Segment recorded a net loss of RM4.0 million.

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

	Current Quarter ended 31.07.2014 RM'000	Preceding Quarter ended 30.04.2014 RM'000
Revenue	67,213	73,345
(Loss) before tax	(2,057)	(1,034)
(Loss) after tax	(2,082)	(1,051)
Attributable to :		
Equity holders of the parent company	(2,024)	(817)
Non-controlling interests	(58)	(234)

The current financial quarter revenue was RM6.1 million or 9.1% lower than that recorded in the preceding quarter.

Manufacturing segment's revenue declined by RM7.8 million while Communication & System Integration and Defence Maintenance Segments' revenues increased by RM1.2 million and RM0.5 million respectively. The lower revenue from the Manufacturing segment was mainly attributed to the soften demand of our products especially the tracking devices for our North America customer. The Group recorded a net loss of RM2.0 million as compared to the net loss of RM0.8 million in the preceding quarter. The loss for this current quarter was mainly due to the lower revenue from the Manufacturing Segment.

B3 Prospect for the financial year ending 31 January 2015

The economic outlook for Electronics Manufacturing Services and ICT industries remain very challenging for the rest of the current financial year. However, with the right measures and appropriate strategies put in place to contain costs and to attain higher operational efficiency, the revenue from the Manufacturing Segment will improve for the rest of the current financial year. The maiden green energy plant is also expected to be operational in the 4th quarter of the current financial year. We are cautiously optimistic that the higher revenue from the Manufacturing Segment and the revenue from green energy sector will contribute positively towards the earnings of the Group in the future.

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 31.07.2014 RM'000	Preceding Year Quarter Ended 31.07.2013 RM'000	Current Year To Date 31.07.2014 RM'000	Preceding Year To Date 31.07.2013 RM'000
Profit / (Loss) before taxation is arrived at after charging / (crediting):-				
Interest Income	(25)	(34)	(57)	(68)
Other Income (excluding interest income)	(287)	(217)	(509)	(451)
Interest Expenses	897	752	1,723	1,431
Depreciation of property, plant & equipment	712	1,135	1,427	2,288
Warranty cost incurred	(36)	(102)	(96)	(203)
(Gain) on disposal of property, plant & Equipment	(95)	(4)	(124)	(30)
(Gain)/Loss on foreign exchange	212	(523)	2,157	(384)

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 July 2014.

B6 Taxation

	Current Quarter 31.07.2014 RM'000	Current Year To Date 31.07.2014 RM'000
<u>Malaysian Taxation</u>		
- Current	25	43
- Deferred	-	-
<u>Under / (Over) provision in prior year</u>		
- Income tax	-	-
	<u>25</u>	<u>43</u>

The taxation is higher than the statutory tax rate due to certain expenses which are not allowable for taxation 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 31.07.2014 RM'000	(Audited) Year To Date 31.01.2014 RM'000
Total retained profits / (accumulated losses) of COMCORP and its subsidiaries :		
- Realised	14,136	15,405
- Unrealised	(4,335)	(2,511)
	9,801	12,894
	9,801	12,894
Less: Consolidation adjustments	(23,298)	(23,550)
Total group (accumulated losses) as per consolidated accounts	(13,497)	(10,656)

B11 Group Borrowings

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<u>Secured</u>			
Bank Borrowings	80,669	6,057	86,726
Hire purchase payables	251	265	516
Total Borrowings	80,920	6,322	87,242

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.

The trial was held on 8.4.2013, 9.4.2013, 12.4.2013, 26.4.2013 and 19.6.2013.

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 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 1st Defendant and/or bankruptcy proceedings against the 2nd 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.

The Defendants have appealed against the High Court Judgement on 9.10.2013. Hearing date has been fixed on 10.09.2014 for hearing of the appeal.

The parties are unable to agree on the draft Judgment. There are two areas of disagreement between the parties in respect of the draft Judgment, namely (1) whether the penal notice ought to be included and (2) whether the Judge had ordered the 1st Defendant to “take delivery” of the transmitters or to “remove” the transmitters. An appointment was fixed before the Deputy Registrar on 29.11.2013 and 9.12.2013 to settle the terms of the draft Order. On 9.12.2013, the Deputy Registrar having sought clarification from the Judge, informed the parties that – (1) the penal notice need not be included. This is because, given that the issue of the removal of the transmitters was not pleaded, it is therefore only a consequential order. There is only monetary judgment involved which does not necessitate a penal notice. Further, parties agreed during delivery of judgment that the transmitters will be removed within a reasonable time which parties mutually agree. Therefore, there is no time frame for parties to comply with the Judgment and (2) the Judge had ordered that the 1st Defendant is to “remove” the transmitters.

Further to the appointment before the High Court Judge, YA Dato' Hue Siew Kheng on 21.02.2014, it was decided by the judge that penal notice ought to be endorsed on the Judgment. Sealed Judgement from the High Court has been received.

Current Update

An application to vary the Stay Order was filed 28.02.2014 ("**Application to Vary**") and case management was on 26.03.2014. It was directed by the court that :

- (1) Comintel to file its affidavit in reply by 4.04.2014
- (2) UTV to file its reply by 18.04.2014 and
- (3) Both parties to file their skeletal submissions by 7.05.2014

Hearing date for the Application to Vary has been fixed for hearing on 02.07.2014. The hearing was subsequently adjourned to 7.07.2014.

The application to Vary the Stay Order was heard before the High Court Judge. Y.A Dato' SM Komathy a/p Suppiah on 7.07.2014. After hearing submissions from both parties, the Judge dismissed the Application to Vary with cost of RM3,000.00.

UTV's appeal to the Court of Appeal was originally fixed for hearing on 10.09.2014. The original hearing date was adjourned to 20.10.2014 as a result of the request of UTV's solicitors despite objections raised by Comintel's solicitors.

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 July 2014 and is as follows:-

	Current Qtr 31.07.2014	Cumulative Qtr To-date 31.07.2014
(Loss) attributable to owners of the parent (RM'000)	(2,024)	(2,841)
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	140,000	140,000
(Loss) per share (sen)	(1.45)	(2.03)

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 2014 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 29 September 2014.

Date: 29-Sep-2014