

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

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

	Note	Current Year Quarter Ended 31.10.2014 RM'000	Preceding Year Quarter Ended 31.10.2013 RM'000	Current Year To Date 31.10.2014 RM'000	Preceding Year To Date 31.10.2013 RM'000
Revenue	A9	83,773	88,530	224,332	232,317
Cost of sales		(78,045)	(82,416)	(211,907)	(223,694)
Gross profit		<u>5,728</u>	<u>6,114</u>	<u>12,425</u>	<u>8,623</u>
Other operating income		388	861	953	1,381
Other operating, administrative, selling and distribution expenses		(4,772)	(4,709)	(13,401)	(14,790)
Profit / (Loss) from Operations		<u>1,344</u>	<u>2,266</u>	<u>(23)</u>	<u>(4,786)</u>
Finance cost		(655)	(687)	(2,378)	(2,118)
Profit / (Loss) before taxation	A9	<u>689</u>	<u>1,579</u>	<u>(2,401)</u>	<u>(6,904)</u>
Taxation	B6	(25)	10	(68)	(70)
Profit / (Loss) for the period		<u>664</u>	<u>1,589</u>	<u>(2,469)</u>	<u>(6,974)</u>
Other Comprehensive income:					
Currency translation differences for foreign operations		80	(122)	(53)	3
Total Comprehensive Income for the period		<u>744</u>	<u>1,467</u>	<u>(2,522)</u>	<u>(6,971)</u>
Profit / (Loss) attributable to:					
Equity holders of the parent company		871	1,527	(1,970)	(6,854)
Non-controlling interests		(207)	62	(499)	(120)
		<u>664</u>	<u>1,589</u>	<u>(2,469)</u>	<u>(6,974)</u>
Total Comprehensive Income attributable to:					
Equity holders of the parent company		951	1,413	(2,023)	(6,842)
Non-controlling interests		(207)	54	(499)	(129)
		<u>744</u>	<u>1,467</u>	<u>(2,522)</u>	<u>(6,971)</u>
Profit / (Loss) per share					
- Basic (sen)	B15	0.62	1.09	(1.41)	(4.90)
- Diluted (sen)	B15	0.62	1.09	(1.41)	(4.90)

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 OCTOBER 2014

		As At 31.10.2014 RM'000	(Audited) As At 31.01.2014 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		65,003	65,726
Investment in unquoted shares		1,052	1,052
		<u>66,055</u>	<u>66,778</u>
Current assets			
Inventories		68,510	83,692
Trade receivables		66,417	65,306
Other receivables, deposits and prepayment		15,084	7,167
Cash and bank balances		45,713	27,035
		<u>195,724</u>	<u>183,200</u>
TOTAL ASSETS		<u>261,779</u>	<u>249,978</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		70,000	70,000
Share premium		25,745	25,745
Capital Reserves		10,863	10,863
Other Reserves		228	281
Accumulated Losses	B10	(12,626)	(10,656)
Total Equity attributable to equity holders of the parent		94,210	96,233
Non-controlling interests		1,320	1,819
Total equity		<u>95,530</u>	<u>98,052</u>
Non-current liabilities			
Long term borrowings	B11	6,149	-
Hire purchase payables	B11	200	393
Deferred tax liabilities		4,296	4,309
		<u>10,645</u>	<u>4,702</u>
Current liabilities			
Trade payables		44,301	53,689
Other payables and accruals		26,231	6,884
Provision for warranty		294	412
Short term borrowings	B11	76,693	78,214
Bank overdraft	B11	3,199	2,641
Hire purchase payables	B11	255	253
Provision for taxation		4,631	5,131
		<u>155,604</u>	<u>147,224</u>
Total liabilities		166,249	151,926
TOTAL EQUITY AND LIABILITIES		<u>261,779</u>	<u>249,978</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.6729	0.6874

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 THIRD QUARTER ENDED 31 OCTOBER 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 RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Translation Reserves RM'000	(Accumulated Losses) /Retained Profits RM'000	Total RM'000		
9 months period ended 31 October 2014								
Balance at 1 February 2014	70,000	25,745	10,863	281	(10,656)	96,233	1,819	98,052
Changes in equity during the year:								
(Loss) for the period	-	-	-	-	(1,970)	(1,970)	(499)	(2,469)
Other comprehensive income	-	-	-	(53)	-	(53)	-	(53)
Total comprehensive income for the period	-	-	-	(53)	(1,970)	(2,023)	(499)	(2,522)
Balance as at 31 October 2014	70,000	25,745	10,863	228	(12,626)	94,210	1,320	95,530
9 months period ended 31 October 2013								
Balance at 1 February 2013	70,000	25,745	10,863	102	(6,677)	100,033	2,353	102,386
(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 31 October 2013	70,000	25,745	10,863	114	(13,531)	93,191	2,224	95,415

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 THIRD QUARTER ENDED 31 OCTOBER 2014**

(The figures have not been audited)

	Current Year To Date 31.10.2014 RM'000	Preceding Year To Date 31.10.2013 RM'000
Cash flows from operating activities		
(Loss) before taxation	(2,401)	(6,904)
Adjustments for non cash and non operating items:		
Depreciation of property, plant & equipment	2,195	3,155
Hire purchase interest	23	32
Interest expenses	2,357	2,089
Fixed Asset written-off	-	(310)
(Gain) on disposal of property, plant & equipment	(295)	(98)
Warranty costs incurred	(118)	(237)
Interest income	(82)	(102)
Operating cash flow before working capital changes	1,679	(2,375)
Inventories	15,182	11,731
Trade receivables	(1,111)	(3,190)
Other receivables, deposits and prepayments	(7,917)	2,826
Trade payables	(9,388)	(1,612)
Other payables and accruals	19,294	(77)
Net cash flow from operations	17,739	7,303
Finance Charges	(2,380)	(2,121)
Income tax (paid)	(581)	(888)
Net operating cash flow	14,778	4,294
Cash flows from investing activities		
Purchase of property, plant & equipment	(2,071)	(891)
Proceeds from disposal of property, plant & equipment	894	409
Interest income received	82	102
Net investing cash flow	(1,095)	(380)
Cash flows from financing activities		
Net (repayment) of bank borrowings	(2,593)	(5,081)
Net drawdown / (repayment) of term loans	7,221	(890)
Net (repayment) of hire purchase liabilities	(191)	(499)
Funding of hire purchase liabilities	-	500
Net financing cash flow	4,437	(5,970)
Net changes in cash and cash equivalents	18,120	(2,056)
Cash and cash equivalents at the beginning of the period	24,394	25,297
Cash and cash equivalents at the end of the period	42,514	23,241
Analysed into:		
Deposits with financial institutions	18,776	6,699
Cash and bank balances	26,937	18,381
Bank overdrafts	(3,199)	(1,839)
Cash and cash equivalents at the end of the period	42,514	23,241

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 - 3rd Quarter ended 31st October 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)	
- (Annual Improvements to MFRSs 2011-2013 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 7, Financial Instruments (Annual Improvements to MFRSs 2012-2014 cycle)	1 January 2016
Amendments to MFRS 10 & MFRS128, Sale or Contribution of Assets between an Investor and its associate or Joint Venture	1 January 2016
Amendments to MFRS 116 & MFRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119, Employee Benefits (Annual Improvements to MFRSs 2012-2014 cycle)	1 January 2016
Amendments to MFRS 127, Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 134, Interim Financial Reporting (Annual Improvements to MFRSs 2012-2014 cycle)	1 January 2016
MFRS 15, Revenue from Contracts with Customers	1 January 2017
MFRS 9, Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018

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.

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 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 October 2014)

Segment revenue	Investment Holding RM'000	Manufacturing RM'000	Communications & Systems Integration RM'000	Defence Maintenance RM'000	Consolidated RM'000
Malaysia	-	-	4,534	611	5,145
Overseas	-	219,187	-	-	219,187
Total Revenue	-	219,187	4,534	611	224,332

Results from operating activities

Segment results	(638)	6,033	(5,154)	(264)	(23)
Finance costs					(2,378)
(Loss) before taxation					(2,401)
Taxation					(68)
(Loss) for the period					(2,469)

Segment Assets

Segment Assets	575	188,875	70,315	962	260,727
Investment in unquoted shares					1,052
Consolidated total assets					261,779

Preceding Year (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

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

The sale by Comintel Sdn Bhd ("Comintel"), a wholly-owned subsidiary of Comcorp, to CIMB Islamic Trustee Berhad ("CIMB Trustee") in its capacity as Trustee on behalf of AmanahRaya Real Estate Investment Trust, of a piece of freehold land held under individual title No. GRN 86648, Lot 52802, Bandar Glenmarie, District of Petaling, together with a five (5)-storey office building with a basement carpark located in Temasya Industrial Park, Glenmarie, Shah Alam, Selangor Darul Ehsan and equipment for a total cash consideration of RM 30,000,000 and the subsequent leaseback by Comintel of the entire property ("Sale & Leaseback"). The Completion Date of the SPA and Leaseback of the building is 26 November 2014.

An announcement on the above was made on 26 November 2014 with Bursa Malaysia.

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 2014, total bank guarantees outstanding relating to performance and tenders amounted to RM3.67 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 RM90.2 million is utilised as at 31 October 2014.

In view of the discharge of charges with Alliances Bank on the sale of the charged property (as mentioned in item A11), Comcorp's Corporate Guarantee to the bank will be reduced accordingly in due course to reflect the amount of banking facilities granted.

A14 Capital Commitments

There were no material capital commitments as at 31 October 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 October 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	-	81	81
Total for type of transaction	-	81	81

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

Notes to the Interim Financial Report - 3rd Quarter ended 31st October 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 RM83.8 million for the current financial quarter ended 30th Oct 2014, a decrease of 5.7% or RM4.8 million as compared to the corresponding quarter last year.

For the current quarter under review, Manufacturing segment recorded a revenue of RM81.9 million (corresponding quarter last year: RM81.9 million) and Communication & System Integration segment recorded a revenue of RM1.8 million (corresponding quarter last year: RM5.7 million) respectively. No revenue was recorded by the Defence Maintenance segment for the current quarter (corresponding quarter last year: RM0.9 million).

For the financial year-to-date, the Group recorded a net loss of RM1.97 million as compared to the net loss of RM6.85 million in the preceding financial year-to-date. The Manufacturing segment recorded a net profit of RM4.56 million while the Communication & System Integration and Defence Maintenance segments recorded a net loss of RM6.26 million and RM0.27 million respectively.

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

	Current Quarter ended 31.10.2014 RM'000	Preceding Quarter ended 31.07.2014 RM'000
Revenue	83,773	67,213
Profit / (Loss) before tax	689	(2,057)
Profit / (Loss) after tax	664	(2,082)
Attributable to :		
Equity holders of the parent company	871	(2,024)
Non-controlling interests	(207)	(58)

The current financial quarter's revenue was RM16.56 million or 24.6% higher than that recorded in the preceding quarter.

Manufacturing segment's revenue improved by RM17.22 million while Communication & System Integration and Defence Maintenance segments' revenues declined by RM0.1 million and RM0.5 million respectively. The higher revenue from the Manufacturing segment was mainly contributed to the higher demand of our products especially the public safety communication devices and the telematic products for the oil and gas industries.

The Group recorded a net profit of RM0.87 million as compared to the net loss of RM2.0 million in the preceding quarter. The profit for this current quarter was mainly attributed to the higher revenue from the Manufacturing segment.

B3 Prospect for the financial year ending 31 January 2015

As a result of the current oil price crisis, government might further tighten its fiscal spending. This could adversely affect the financial performance of our Communication & System Integration and Defence Maintenance Segments. On the other hand, the weakening of Ringgit will make our products more competitive for the export market. We are cautiously optimistic that our Manufacturing segment's revenue will improve for the rest of the current financial year. We are also hopeful our 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 31.10.2014 RM'000	Preceding Year Quarter Ended 31.10.2013 RM'000	Current Year To Date 31.10.2014 RM'000	Preceding Year To Date 31.10.2013 RM'000
Profit / (Loss) before taxation is arrived at after charging / (crediting):-				
Interest Income	(25)	(34)	(82)	(102)
Other Income (excluding interest income)	(363)	(827)	(871)	(1,279)
Interest Expenses	655	689	2,378	2,118
Depreciation of property, plant & equipment	768	867	2,195	3,155
Warranty cost incurred	(22)	(34)	(118)	(237)
(Gain) on disposal of property, plant & Equipment	(171)	(67)	(295)	(98)
(Gain)/Loss on foreign exchange	(913)	875	1,244	491

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 2014.

B6 Taxation

	Current Quarter 31.10.2014 RM'000	Current Year To Date 31.10.2014 RM'000
<u>Malaysian Taxation</u>		
- Current	25	68
- Deferred	-	-
	<u>25</u>	<u>68</u>

The taxation for the current year to date 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 31.10.2014 RM'000	(Audited) Year To Date 31.01.2014 RM'000
Total retained profits / (accumulated losses) of COMCORP and its subsidiaries :		
- Realised	13,635	15,405
- Unrealised	(3,163)	(2,511)
	10,472	12,894
	10,472	12,894
Less: Consolidation adjustments	(23,098)	(23,550)
Total Group (accumulated losses) as per consolidated accounts	(12,626)	(10,656)

B11 Group Borrowings

	Payable within 12 months	Payable after 12 months	Total
<u>Secured</u>	RM'000	RM'000	RM'000
Bank Borrowings	79,892	6,149	86,041
Hire purchase payables	255	200	455
Total Borrowings	80,147	6,349	86,496

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.

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.

Current Update

Court of Appeal

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.

By a Notice of Change of Solicitors dated 10.10.2014, UTV has changed its solicitors from Messrs Lee Hishammuddin, Allen & Gledhill to Messrs Thomas Philip at the Court of Appeal stage.

On 20.10.2014, Malik Intiaz appeared as counsel for UTV and Mr Nahendran Navaratnam appeared as counsel for Comintel in the Court of Appeal. After the conclusion of UTV's counsel's oral submissions, the Court of Appeal adjourned Comintel's oral submissions in reply to another date as one of the Judges was not feeling well on that day. To-date, there is no indication from the Court of Appeal with regard to the new hearing date although parties have submitted counsel's common free dates to Court and written to Court informing of the same.

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 October 2014 and is as follows:-

	Current Qtr 31.10.2014	Cumulative Qtr To-date 31.10.2014
Profit / (Loss) attributable to owners of the parent (RM'000)	871	(1,970)
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)	0.62	(1.41)

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 18 December 2014.

Date: 18-Dec-2014