

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017
(The figures have not been audited)**

	Note	Current Year Quarter Ended 31.01.2017 RM'000	Preceding Year Quarter Ended 31.01.2016 RM'000	Current Year To Date 31.01.2017 RM'000	Preceding Year To Date 31.01.2016 RM'000
Revenue	A9	106,488	108,812	406,802	376,724
Cost of sales		(96,000)	(91,827)	(366,359)	(336,026)
Gross profit		10,488	16,985	40,443	40,698
Other operating income		417	3,200	1,516	4,253
Other operating, administrative, selling and distribution expenses		(5,992)	(11,751)	(21,594)	(27,456)
Profit from Operations		4,913	8,434	20,365	17,495
Finance cost		(478)	(634)	(1,989)	(2,212)
Profit before taxation	A9	4,435	7,800	18,376	15,283
Taxation	B6	201	(2,203)	(1,387)	(2,598)
Profit for the period		4,636	5,597	16,989	12,685
Other Comprehensive income:					
<i>Items that will not be classified subsequently to profit or loss</i>					
-Surplus on revaluation of property, plant & equipment net of tax		1,542	-	1,542	-
<i>Items that are or may not be reclassified subsequently to profit or loss</i>					
-Exchange differences arising from translation of foreign operations		496	(141)	543	434
Total Comprehensive Income for the period		6,674	5,456	19,074	13,119
Profit / (Loss) attributable to:					
Equity holders of the parent company		4,842	5,854	17,602	13,487
Non-controlling interests		(205)	(257)	(613)	(802)
		4,636	5,597	16,989	12,685
Total Comprehensive Income/(Loss) attributable to:					
Equity holders of the parent company		6,819	5,713	19,627	13,921
Non-controlling interests		(145)	(257)	(553)	(802)
		6,674	5,456	19,074	13,119
Earnings per share					
- Basic (sen)	B15	3.46	4.18	12.57	9.63
- Diluted (sen)	B15	3.46	4.18	12.57	9.63

Note:

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2016 and the accompanying explanatory notes attached to the interim financial statements.

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2017**(The figures have not been audited)**

		As At 31.01.2017 RM'000	(Audited) As At 31.01.2016 RM'000
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment		59,507	57,664
		<u>59,507</u>	<u>57,664</u>
Current assets			
Inventories		71,814	70,220
Trade receivables		90,291	90,232
Other receivables, deposits and prepayment		4,403	5,388
Cash and bank balances		34,572	46,303
		<u>201,080</u>	<u>212,143</u>
TOTAL ASSETS		<u>260,587</u>	<u>269,807</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		70,000	70,000
Share premium		25,745	25,745
Revaluation Reserves		5,173	3,631
Translation Reserves		1,458	975
Retained Profits	B10	30,021	10,623
Total Equity attributable to equity holders of the parent		<u>132,397</u>	<u>110,974</u>
Non-controlling interests		(1,630)	1,259
Total equity		<u>130,767</u>	<u>112,233</u>
Non-current liabilities			
Long term borrowings	B11	9,765	10,877
Hire purchase payables	B11	2,106	2,851
Deferred tax liabilities		2,964	2,666
		<u>14,835</u>	<u>16,394</u>
Current liabilities			
Trade payables		49,085	48,452
Other payables and accruals		11,295	9,395
Provision for warranty		126	139
Short term borrowings	B11	51,309	78,901
Bank overdraft	B11	720	32
Hire purchase payables	B11	831	780
Provision for taxation		1,619	3,481
		<u>114,985</u>	<u>141,180</u>
Total liabilities		<u>129,820</u>	<u>157,574</u>
TOTAL EQUITY AND LIABILITIES		<u>260,587</u>	<u>269,807</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)		0.9457	0.7927

Note:

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 January 2016 and the accompanying explanatory notes attached to the interim financial statements.

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017

(The figures have not been audited)

Note	<----- Attributable to equity holders of the parent ----->							Non-controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Translation Reserves RM'000	(Distributable) Retained Profits/ (Accumulated Losses) RM'000	Total RM'000			
12 months period ended 31 January 2017									
At 1 February 2016	70,000	25,745	3,631	975	10,623	110,974	1,259	112,233	
Changes in equity during the year:									
Profit/(Loss) for the year	-	-	-	-	17,602	17,602	(613)	16,989	
Other comprehensive income:									
- Translation reserves				483		483	60	543	
- Surplus on revaluation of property, plant & equipment			1,542			1,542		1,542	
Total comprehensive income/(loss) for the year	-	-	1,542	483	17,602	19,627	(553)	19,074	
-Acquisition of remaining interests from non-controlling interest shareholders	-	-			1,796	1,796	(2,336)	(540)	
						-		-	
At 31 January 2017	70,000	25,745	5,173	1,458	30,021	132,397	(1,630)	130,767	
12 months period ended 31 January 2016									
At 1 February 2015	70,000	25,745	3,631	541	(2,864)	97,053	2,060	99,113	
Profit / (Loss) for the year	-	-	-	-	13,487	13,487	(802)	12,685	
Other comprehensive income:									
- Translation Reserves				434		434		434	
Total comprehensive income/(loss) for the year	-	-	-	434	13,487	13,921	(802)	13,119	
At 31 January 2016	70,000	25,745	3,631	975	10,623	110,974	1,259	112,233	

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 2016 and the accompanying explanatory notes attached to the interim financial statements.

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE FOURTH QUARTER ENDED 31 JANUARY 2017
(The figures have not been audited)**

	Current Year To Date 31.01.2017 RM'000	Preceding Year To Date 31.01.2016 RM'000
Cash flows from operating activities		
Profit before taxation	18,376	15,283
Adjustments for non cash and non operating items:		
Allowance for inventories obsolescence written back	-	2,056
Bad debts written-off	-	696
Depreciation of property, plant & equipment	3,012	3,038
Gain on disposal of property, plant & equipment	(40)	(29)
Hire purchase interest	205	155
Interest expenses	1,784	2,057
Interest income from short term deposits	(296)	(363)
Inventory written off	-	1,999
Provision for doubtful debts	-	483
Warranty cost written back	(13)	(11)
Unrealised loss/(gain) on foreign exchange	359	(1,005)
Operating cash flow before working capital changes	23,387	24,359
Inventories	(1,594)	4,616
Trade receivables	246	(30,222)
Other receivables, deposits and prepayments	942	(766)
Trade payables	620	3,593
Other payables and accruals	2,096	(1,697)
Net cash flow generated from/(used in) operations	25,697	(117)
Finance Charges	(1,989)	(2,212)
Income tax paid	(3,426)	(2,056)
Net cash flow generated from/(used in) operating activities	20,282	(4,385)
Cash flows from investing activities		
Purchase of property, plant & equipment	(2,839)	(4,534)
Proceeds from disposal of property, plant & equipment	40	101
Investment in Subsidiary Company	(540)	-
Interest income received	296	363
Net cash flow used in investing activities	(3,043)	(4,070)
Cash flows from financing activities		
Net (repayment)/drawdown of bank borrowings	(27,541)	4,923
Net (repayment)/drawdown of term loans	(1,424)	1,831
Net repayment of hire purchase liabilities	(694)	(606)
Net cash flow (used in)/generated from financing activities	(29,659)	6,148
Effect of exchange rate changes	-	(4,733)
Net changes in cash and cash equivalents	(12,420)	(2,307)
Cash and cash equivalents at the beginning of the period	46,272	53,312
Cash and cash equivalents at the end of the period	33,852	46,272
Analysed into:		
Deposits with financial institutions	11,776	11,548
Cash and bank balances	22,796	34,756
Bank overdrafts	(720)	(32)
Cash and cash equivalents at the end of the period	33,852	46,272

Note:

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2016 and the accompanying explanatory notes attached to the interim financial statements.

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

Notes to the Interim Financial Report - 4th. Quarter ended 31st. January 2017

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 2016.

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 2016.

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2016. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

Standards issued but not yet effective

	effective for financial periods beginning on or after
MFRS 9, Financial Instruments	1 January 2018
MFRS 15, Revenue from Contracts with Customers	1 January 2018
MFRS 16, Leases	1 January 2019

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 material impact to the financial statements of the Group and of the Company upon their initial application, except as described below :

(a) MFRS 9, Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The standard introduces new requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost. The company is currently assessing the financial impact of adopting MFRS 9.

(b) MFRS 15, Revenue from Contracts with Customers

MFRS 15 establishes principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flow arising from a contract with customers. The core principle of MFRS 15 is that an entity recognises revenue in a manner which reflects the consideration an entity expects to be entitled in exchange for goods and services. The company is currently assessing the financial impact of adopting MFRS 15.

(c) MFRS 16, Leases

MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying value is low. A lessee is required to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payment. However, there are no changes in lessor accounting model other than additional financial information to be disclosed in the financial statements.

The accounting standard is effective for annual period beginning on or after 1 January 2019 with earlier adoption permitted if the entity applies MFRS 15 (Revenues from Contracts with Customers) at or before the date of initial application of MFRS 16. The company is currently assessing the impact of MFRS 16.

A3 Audit qualification

The auditors' 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 System Integration & Maintenance Service'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 year ended 31 January 2017.

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

With effect from 1st. February 2016, Communication & System Integration Segment and Defence Maintenance will be grouped as one Segment under System Integration & Maintenance Services Segment.

In view of that, the Group's business/operating segments are as follows :

- (a) Investment Holding
- (b) Manufacturing
- (c) System Integration & Maintenance Services

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

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

Current Year-to-Date (year ended 31 January 2017)

Segment revenue	Investment Holding	Manufacturing	Systems Integration & Maintenance Services	Consolidated
	RM'000	RM'000	RM'000	RM'000
Malaysia	-	-	10,759	10,759
Overseas	-	395,946	97	396,043
Total Revenue	-	395,946	10,856	406,802
Results from operating activities				
Segment results	(794)	27,710	(6,551)	20,365
Finance costs				(1,989)
Profit before taxation				18,376
Taxation				(1,387)
Profit for the year				16,989
Segment Assets				
Segment Assets	21	218,423	42,143	260,587
Consolidated total assets				260,587

Preceding Year (year ended 31 January 2016)

Segment revenue	Investment Holding	Manufacturing	Systems Integration & Maintenance Services	Consolidated
	RM'000	RM'000	RM'000	RM'000
Malaysia	-	-	16,530	16,530
Overseas	-	360,194	-	360,194
Total Revenue	-	360,194	16,530	376,724
Results from operating activities				
Segment results	(1,557)	26,124	(8,316)	17,495
Finance costs				(2,212)
Profit before taxation				15,283
Taxation				(2,598)
Profit for the year				12,685
Segment Assets				
Segment Assets	62	226,363	43,382	269,807
Consolidated total assets				269,807

A10 Valuation of property, plant and equipment

The carrying value of the leasehold land and building approximated the fair values based on an independent valuation carried out by a firm of professional valuers in November 2016 using market value basis. The carrying value of revalued leasehold land and building was RM28.8 million as at 31 January 2017.

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

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 statement 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 January 2017, total bank guarantees outstanding relating to performance and tenders amounted to RM2.05 million. The company has provided corporate guarantees amounting to RM236.6 million to financial institutions for banking facilities made available to its subsidiaries of which RM68.8 million is utilised as at 31 January 2017.

A14 Capital Commitments

There were no material capital commitments as at 31 January 2017 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 January 2017 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 personnel	-	109	109
Total for type of transaction	-	109	109

COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

Notes to the Interim Financial Report - 4th. Quarter ended 31st. January 2017**Part B. Additional Information Required by The Listing Requirements of Bursa Malaysia Securities Berhad****B1 Review of Performance of Operating Segments of the Group**(a) Comparison with Previous Year Corresponding Quarter's Results

The Group recorded a revenue of RM106.5 million for the current quarter under review, a marginal decrease of RM2.8 million as compared to the corresponding quarter last year. Profit after tax was RM4.8 million, a decrease of RM1.0 million.

The Manufacturing segment recorded a revenue of RM104.1 million as compared to RM103.9 million recorded in the corresponding quarter last year. The revenue increase was marginal as there were no significant increase in orders from customers. Net profit was RM7.3 million as compared to the net profit of RM7.4 million achieved in the corresponding quarter last year. The lower profit was attributed to lower margin product mix shipped for the current quarter under review.

The SIMS segment recorded a revenue of RM2.4 million, a decrease of RM3.0 million as compared to the corresponding quarter last year. The lower revenue was due to the lesser project being secured and completed in the current quarter. Net losses for this segment was RM2.5 million as compared to the net loss of RM0.7 million recorded in the corresponding quarter last year. The highest losses was attributed to the reduction in gross margin due to competition and lower revenue achieved in the current quarter under review.

(b) Comparison with Previous Year Results

For the financial year ended 31 January 2017, the Group recorded a revenue of RM406.8 million as compared to RM377.2 million in the previous year. Net profit for this financial year was RM17.6 million, an increase of RM4.1 million or 30%.

The manufacturing segment recorded a revenue of RM390.9 million as compared to RM360.2 million recorded in the previous financial year ended 31 January 2016. This represents an increase of RM30.7 million or 8.5%. The revenue increase was mainly due to the increase of the shipment of our tele-communication related products in the first and second quarter of the financial year ended 31 January 2017. Net profit was RM24.6, an increase of 14.3%. The increase in the net profit was a result of higher shipment of our products, efficiency improvement of our front-end manufacturing processes and the strengthening of the United States currency (USD).

The SIMS segment recorded a revenue of RM10.8 million as compared to RM16.6 recorded in the previous financial year. This segment recorded a net loss of RM6.8 million as compared to the net loss of RM7.3 million recorded in the previous financial year. The lower losses was a result of cost cutting measures to mitigate the poor performance of this segment.

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

	Current Quarter ended 31.01.2017 <u>RM'000</u>	Preceding Quarter ended 31.10.2016 <u>RM'000</u>
Revenue	106,488	110,818
Profit before tax	4,435	5,271
Profit after tax	4,636	4,785
Attributable to :		
Equity holders of the parent company	4,842	4,907
Non-controlling interests	(205)	(122)

The current financial quarter's revenue was RM4.3 million lower than that recorded in the preceding quarter. Manufacturing segment and SIMS segment revenue was lower by RM3.7 million and RM0.6 million respectively.

Net profit for the Group was RM4.8 million, a marginal decrease of RM0.1 million as compared to the net profit recorded in the preceding quarter. The net margin for these two quarter's results are relatively similar as there was no significant changes in the revenue recorded.

B3 Prospect for the financial year ending 31 Jan 2018

The Group achieved a satisfactory financial performance for the year ended 31 January 2017 despite the sluggish domestic and challenging global economy.

We expect to see an increase of orders from our customers for our manufacturing segment in the second half of financial year ending 31 January 2018. We have also embarking on the design of our ODM products targeting for commercialisation in the later part of year 2017. However, the fluctuation of USD to RM exchange, increasing labour cost and the new measures on FOREX issued by BNM recently will be the key factors that could affect the manufacturing segment's profitability. We will continue to drive productivity and efficiency improvements to equip ourselves as the manufacturer of choice by our customers. Barring any unforeseen circumstances, our manufacturing segment is expected to achieve a satisfactory financial performance for the financial year ending 31 January 2018.

Commissioning of our advanced gasification renewable green energy project in Kuang has taken a longer time than expected. The IOD (Initial Operation Date) with TNB scheduled on 16th February 2017 did not materialise due to an unexpected technical issue on the material handling system. We have since rectified the problem and currently waiting for TNB to confirm a new IOD date. In the meantime, we are seeking SEDA approval to extend the IOD and FiT dates to 30 June 2017 and 31 July 2017 respectively. Barring any unforeseen circumstances, we are expecting the revenue contribution from our renewable green energy plant in the second half of the financial year ending 31 January 2018.

We do not foresee any significant fiscal spending by the Malaysian Government in the ICT sector. In view of that, we do not expect SIMS segment to be able to contribute positively towards the earnings of the Group in the financial year ending 31 January 2018. Cost cutting measures to mitigate losses are to be implemented for this business segment.

We are cautiously optimistic for the financial performance of the Group overall. Barring any unforeseen circumstances, we expect the Group to perform satisfactorily for the financial year ending 31 January 2018.

B4 Profit Forecast or Profit Guarantee

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

B5 Profit / (Loss) Before Taxation

	Current Year Quarter Ended 31.01.2017 <u>RM'000</u>	Preceding Year Quarter Ended 31.01.2016 <u>RM'000</u>	Current Year To Date 31.01.2017 <u>RM'000</u>	Preceding Year To Date 31.01.2016 <u>RM'000</u>
Profit/(Loss) before taxation is arrived at after charging / (crediting):-				
Interest Income	(71)	(132)	(296)	(363)
Other Income (excluding interest income)	(73)	(469)	(93)	(484)
Interest Expenses	478	634	1,989	2,212
Depreciation of property, plant & equipment	510	827	3,012	-
Bad debt written off	-	693	-	693
Inventory written off	-	1,999	-	1,999
Lease Rental of Premises	600	600	2,400	2,400
Provision for doubtful debt	-	483	-	483
Provision/(write back) for warranty cost	(1)	139	(13)	139
Rental of Apartment	6	6	24	23
Rental of Car park	6	6	25	26
Rental of Equipment	11	9	45	42
Rental of Land	22	28	108	114
Rental of Premises	45	31	118	122
Rental income	(273)	(282)	(1,086)	(1,057)
Gain on disposal of property, plant & equipment	-	-	(40)	(32)
Loss/(Gain) on realised foreign exchange	299	70	134	(1,312)
(Gain)/Loss on unrealised foreign exchange	(1,040)	282	359	(1,005)

B6 Taxation

	Current Quarter 31.01.2017 RM'000	Current Year To Date 31.01.2017 RM'000
<u>Malaysian Taxation</u>		
- Current	(19)	1,772
Overprovision in prior year	(208)	(208)
- Deferred	26	(177)
	<u>(201)</u>	<u>1,387</u>

The taxation for the financial year ended 31 January 2017 was lower than the statutory tax rate due to availability of unutilised reinvestment allowances used to offset the taxable income.

B7 Profit or Loss on Sales of Unquoted Investments and Properties

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

B8 Quoted Securities

There was no purchase nor 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 31.01.2017 RM'000	(Audited) Year To Date 31.01.2016 RM'000
Total retained profits / (accumulated losses) of the Company and its subsidiaries :		
- Realised	31,979	13,990
- Unrealised	(1,407)	(408)
	30,572	13,582
Less: Consolidation adjustments	(551)	(2,959)
Total Retained Earnings as per consolidated accounts	30,021	10,623

B11 Group Borrowings

	Payable within 12 months RM'000	Payable after 12 months RM'000	Total RM'000
<u>Secured</u>			
Bank Borrowings	52,029	9,765	61,794
Hire purchase payables	831	2,106	2,937
Total Borrowings	52,860	11,871	64,731

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

On 3 October 2013, Kuala Lumpur High Court ruled in favour of Comintel Sdn Bhd ("Comintel"), a wholly owned subsidiary of the Company with regards to the litigation action taken by Comintel against U Television Sdn Bhd ("1st Defendant") and Tan Seri Vincent Tan Chee Yioun ("2nd Defendant") upon the following:-

1. Comintel's claim for RM 11,217,797.84 together with interest thereon at the rate of 5% p.a from 5 July 2010 until the date of payment;
2. Storage cost and insurance amounting to RM284,905 as at 31 October 2012 together with interest thereon at the rate of 5% p.a from 5 July 2010 until the date of payment;
3. Costs of RM 75,000; and
4. Cost of storage and insurance for Transmitter from 1 November 2012 till the date of removal.

Thereafter, the defendants filed for a stay of execution pending an appeal, which had been fixed for hearing on 10 September 2014. The stay of execution was granted on condition that the said sum of money had been paid to a joint escrow accounts of the solicitors.

Subsequently, due to the changes in the Defendants' Solicitors as well as a change in the composition of the panel of judges, the hearing of the Defendants' appeal was rescheduled to 28 August 2015.

UTV's appeal was heard before Y.A. Datuk Dr Hj Hamid Sultan bin Abu Backer, Y.A. Dato' Umi Kalthum binti Abd Majid and Y.A. Datuk Dr Badariah binti Sahamid on 28.08.2015.

After hearing extensive oral arguments from counsel for UTV and Comintel, the panel of judges unanimously dismissed UTV's appeal and affirmed the High Court's decision with cost of RM30,000.00 to be paid by UTV to Comintel.

UTV subsequently applied for leave to appeal to the Federal Court. Hearing was fixed on **2.02.2016**. This hearing was however postponed to 03.03.2016 due to the rescheduling of cases in the Federal Court.

On 03.03.2016, the Federal Court allowed the application by UTV and Tan Sri Vincent Tan Chee Yioun (collectively the "Applicants") for leave to appeal against the decision of the Court of Appeal dated 28.08.2015. The Federal Court has set 20th July 2016 for further case management pending the extraction of the Court of Appeal's grounds of judgement and sealed order.

On 20.07.2016, The Federal Court set 22nd September for further case management pending the extraction of the Court of Appeal's grounds of judgment and seal order.

On 24.08.2016, The Federal Court brought forward the case management to 1st September 2016 as the extraction of the Court of Appeal's grounds of judgment is available for reference by the Federal Court.

On 01.09.2016, the Federal Court has fixed 30th November 2016 for hearing of the appeal.

On 30.11.2016, the hearing originally fixed on 30.11.2016 has been adjourned to 15.02.2017 as UTV and Tan Sri Vincent Tan's counsel was in the hospital and unable to attend court.

On 15.02.2017, at the conclusion of the oral submissions that the Federal Court reserves its decision pertaining to the appeal to a date to be announced later.

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 for the current quarter and cumulative quarter to date for year ending 31 January 2017 are as follows:-

	Current Qtr <u>31.01.2017</u>	Cumulative Qtr To-date <u>31.01.2017</u>
Profit attributable to owners of the Company (RM'000)	4,842	17,602
Weighted average number of ordinary shares in issue (based on ordinary share of RM0.50 each) ('000)	140,000	140,000
Earning per share (sen)	3.46	12.57

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 2016 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 March 2017.

Date: 29-Mar-2017