

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

(Company No. 630068-T)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE SECOND QUARTER ENDED 31 JULY 2018**

(The figures have not been audited)

	Note	Current Quarter Ended 31.07.2018 RM'000	Corresponding Quarter Ended 31.07.2017 RM'000	% change	Current Year To Date 31.07.2018 RM'000	Corresponding Year To Date 31.07.2017 RM'000	% change
Revenue	A9	929	102,756	(99)	1,696	190,114	(99)
Cost of sales		(181)	(94,443)		(276)	(173,812)	
Gross profit		748	8,313	(91)	1,420	16,302	(91)
Other operating income		564	1,047		1,765	1,375	
Other operating, administrative, selling and distribution expenses		(7,125)	(5,908)		(11,232)	(10,608)	
(Loss)/Profit from Operations		(5,813)	3,452	(268)	(8,047)	7,069	(214)
Finance cost		(188)	(503)		(369)	(993)	
(Loss)/Profit before taxation	A9	(6,001)	2,949	(303)	(8,416)	6,076	(239)
Taxation	B6	-	(906)		-	(1,653)	
(Loss)/Profit for the period		(6,001)	2,043	(394)	(8,416)	4,423	(290)
<b>Other Comprehensive income:</b>							
<i>Items that are or may not be reclassified subsequently to profit or loss</i>							
-Exchange differences arising from translation of foreign operations		118	(63)		127	(146)	
<b>Total Comprehensive (Loss)/Income for the period</b>		<b>(5,883)</b>	<b>1,980</b>		<b>(8,289)</b>	<b>4,277</b>	
<b>(Loss)/Profit attributable to:</b>							
Equity holders of the parent company		(5,632)	2,223	(353)	(7,671)	4,736	(262)
Non-controlling interests		(369)	(180)		(745)	(313)	
		<b>(6,001)</b>	<b>2,043</b>	<b>(394)</b>	<b>(8,416)</b>	<b>4,423</b>	<b>(290)</b>
<b>Total Comprehensive (Loss)/Income attributable to:</b>							
Equity holders of the parent company		(5,513)	2,159		(7,544)	4,589	
Non-controlling interests		(370)	(179)		(745)	(312)	
		<b>(5,883)</b>	<b>1,980</b>		<b>(8,289)</b>	<b>4,277</b>	
(Loss)/Earnings per share							
- Basic (sen)	B16	(4.02)	1.59		(5.48)	3.38	
- Diluted (sen)	B16	(4.02)	1.59		(5.48)	3.38	

**Note:**

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 January 2018 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 2018****(The figures have not been audited)**

	As At 31.07.2018 RM'000	(Audited) As At 31.01.2018 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	21,858	22,641
	<u>21,858</u>	<u>22,641</u>
<b>Current assets</b>		
Inventories	469	511
Trade receivables	2,765	2,543
Other receivables, deposits and prepayments	6,148	3,754
Tax refundable	568	465
Cash and bank balances	34,364	109,334
	<u>44,314</u>	<u>116,607</u>
<b>TOTAL ASSETS</b>	<u>66,172</u>	<u>139,248</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	70,000	70,000
Share premium	25,745	25,745
Translation reserves	741	614
(Accumulated losses)/Retained profits	B10 (69,312)	1,359
Total equity attributable to equity holders of the parent	<u>27,174</u>	<u>97,718</u>
Non-controlling interests	<u>(1,665)</u>	<u>(920)</u>
<b>Total equity</b>	<u>25,509</u>	<u>96,798</u>
<b>Non-current liabilities</b>		
Long term borrowings	B11 7,634	8,558
Hire purchase payables	B11 64	86
	<u>7,698</u>	<u>8,644</u>
<b>Current liabilities</b>		
Trade payables	1,149	1,281
Other payables and accruals	5,734	7,519
Lawsuit liabilities	22,418	21,591
Provision for warranty	121	122
Short term borrowings	B11 2,251	1,848
Bank overdraft	B11 603	760
Hire purchase payables	B11 44	40
Provision for taxation	645	645
	<u>32,965</u>	<u>33,806</u>
<b>Total liabilities</b>	<u>40,663</u>	<u>42,450</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>66,172</u>	<u>139,248</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)	0.1941	0.6980

**Note:**

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 January 2018 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 2018

(The figures have not been audited)

Note	<----- Attributable to equity holders of the parent ----->							
	<-----(Non Distributable) ----->				(Distributable)		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	Retained Profits/ (Accumulated losses) RM'000	Total RM'000			
<b>6 months period ended 31 July 2018</b>								
<b>At 1 February 2018</b>	70,000	25,745	-	614	1,359	97,718	(920)	96,798
<b>Changes in equity during the period:</b>								
Loss for the period	-	-	-	-	(7,671)	(7,671)	(745)	(8,416)
Other comprehensive income:								
- Translation reserves	-	-	-	127	-	127	-	127
Total comprehensive loss for the period	-	-	-	127	(7,671)	(7,544)	(745)	(8,289)
Dividends paid to shareholders	-	-	-	-	(63,000)	(63,000)	-	(63,000)
<b>At 31 July 2018</b>	<b>70,000</b>	<b>25,745</b>	<b>-</b>	<b>741</b>	<b>(69,312)</b>	<b>27,174</b>	<b>(1,665)</b>	<b>25,509</b>
<b>6 months period ended 31 July 2017</b>								
<b>At 1 February 2017</b>	70,000	25,745	5,173	1,215	30,110	132,243	(1,692)	130,551
Profit / (Loss) for the period	-	-	-	-	4,736	4,736	(313)	4,423
Other comprehensive income:								
- Translation Reserves	-	-	-	(147)	-	(147)	1	(146)
Total comprehensive income/(loss) for the period	-	-	-	(147)	4,736	4,589	(312)	4,277
<b>At 31 July 2017</b>	<b>70,000</b>	<b>25,745</b>	<b>5,173</b>	<b>1,068</b>	<b>34,846</b>	<b>136,832</b>	<b>(2,004)</b>	<b>134,828</b>

### 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 2018 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 2018  
(The figures have not been audited)**

	Current Year To Date 31.07.2018 RM'000	Corresponding Year To Date 31.07.2017 RM'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before taxation	(8,416)	6,076
<b>Adjustments for non cash and non operating items:</b>		
Depreciation of property, plant & equipment	836	1,236
Gain on disposal of property, plant & equipment	(7)	(231)
Hire purchase interest	3	84
Interest expenses	365	909
Interest income from short term deposits	(1,201)	(113)
Provision for warranty cost	(1)	2
Unrealised loss/(gain) on foreign exchange	176	(152)
<b>Operating cash flow before working capital changes</b>	<b>(8,245)</b>	<b>7,811</b>
Inventories	42	(15,679)
Trade receivables	(222)	(1,815)
Other receivables, deposits and prepayments	(2,393)	805
Trade payables	(125)	5
Other payables and accruals	(1,840)	4,122
Lawsuit liabilities	826	-
<b>Net cash flow used in operations</b>	<b>(11,957)</b>	<b>(4,751)</b>
Finance charges	(368)	(993)
Income tax paid	(103)	(1,544)
<b>Net cash flow used in operating activities</b>	<b>(12,428)</b>	<b>(7,288)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant & equipment	(53)	(5,460)
Proceeds from disposal of property, plant & equipment	7	(231)
Interest income received	1,201	113
<b>Net cash flow generated from/(used in) investing activities</b>	<b>1,155</b>	<b>(5,578)</b>
<b>Cash flows from financing activities</b>		
Net drawdown of bank borrowings	403	10,690
Net (repayment)/drawdown of term loans	(924)	273
Net repayment of hire purchase liabilities	(19)	(415)
Placement of pledged fixed deposits	(64)	-
Dividend paid	(63,000)	-
<b>Net cash flow (used in)/generated from financing activities</b>	<b>(63,604)</b>	<b>10,548</b>
<b>Net changes in cash and cash equivalents</b>	<b>(74,877)</b>	<b>(2,318)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>104,333</b>	<b>33,599</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>29,456</b>	<b>31,281</b>
<b>Analysed into:</b>		
<b>Deposits with financial institutions</b>	<b>34,203</b>	<b>12,351</b>
<b>Cash and bank balances</b>	<b>161</b>	<b>19,805</b>
<b>Bank overdrafts</b>	<b>(603)</b>	<b>(875)</b>
<b>Short term deposits pledged and/or with maturity more than 3 months</b>	<b>(4,305)</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>29,456</b>	<b>31,281</b>

Note:

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 January 2018 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 2018

#### Part A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 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 2018.

##### 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 2018.

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning or after 1 January 2018. 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

	<b>effective for financial periods beginning on or after</b>
MFRS 16, Leases	1 January 2019
Amendments to MFRS 3 - Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 9 - Financial Instruments -Prepayment features with Negative Compensation	1 January 2019
Amendments to MFRS 11 - Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 112 - Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 119 - Employee Benefits - Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123 - Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 128 - Investments in Associates and Joint Ventures -Long Term Interest in Associates and Joint Ventures	1 January 2019
IC Interpretation 23 - Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2 - Share-based Payment	1 January 2020
Amendments to MFRS 3 - Business Combinations	1 January 2020
Amendments to MFRS 6 - Exploration for and Evaluation of Mineral Resources	1 January 2020
Amendments to MFRS 14 - Regulatory Deferral Accounts	1 January 2020
Amendments to MFRS 101 - Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 134 - Interim Financial Reporting	1 January 2020
Amendments to MFRS 137 - Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
Amendments to MFRS 138 - Intangible Assets	1 January 2020
Amendment to IC Interpretation 12 - Service Concession Arrangements	1 January 2020
Amendment to IC Interpretation 19 - Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
Amendment to IC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
Amendment to IC Interpretation 22 - Foreign Currency Transactions and Advance Consideration	1 January 2020
Amendment to IC Interpretation 132 - Intangible Assets - Web Site Costs	1 January 2020
MFRS 17, Insurance Contracts	1 January 2021
Amendments to MFRS 10 - Consolidated Financial Statements - Sale or Contributions of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 128 - Investments in Associates and Joint Ventures - Sale or Contributions of Assets between an Investor and its Associate or Joint Venture	Deferred

**A2 Changes in Accounting Policies (cont'd)**

**Standards issued but not yet effective (cont'd)**

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 16, Leases

In April 2016, MASB issued MFRS 16 : Leases which sets out principles for the recognition, measurement, presentation and disclosure of leases, and replaces the existing MFRS 117 : Leases. The standard introduces a single accounting model for a lessee and eliminates the distinction between finance lease and operating lease. Lessee is now required to recognise assets and liabilities for all leases with a term more than 12 months, unless the underlying asset is of low value. Upon adoption of MFRS 16, the Group and the Company are required to account for major part of their operating leases in the statement of financial position by recognising the 'right-to-use' assets and the lease liability, thus increasing the assets and liabilities of the Company.

The Group and the Company are currently assessing the financial impact of adopting MFRS 16.

The initial application of other standards, amendments and interpretations is not expected to have any material financial impacts to the current and prior periods financial statements upon their first adoption.

**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 period ended 31 July 2018.

**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**

The Company paid the following dividend since the end of the previous financial year.

RM'000

In respect of the financial year ending 31 January 2019

- First interim dividend of RM0.45 per share (single tier dividend)

63,000

## A9 Segmental information

The Group's operating segments are as follows :

- (a) Investment Holding
- (b) System Integration & Maintenance Services (SIMS)
- (c) Green Waste Management and conversion of Waste-to-Energy (GWM and WtE)

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 operating segment.

For the preceding financial period ended 31 July 2017, the Green Waste Management and conversion of Waste-to-Energy segment was included with System Integration and Maintenance Services. However, for the current financial period ended 31 July 2018 this is reflected as separate segments.

As at the preceding year ended 31 January 2018, the disposal of BCM Electronics Corporation Sdn Bhd which was solely classified under manufacturing segment has been completed, therefore the Group will no longer has this operating segment of manufacturing for the current financial year ending 31 January 2019.

### *Segment revenue, segment results and segment assets employed for operating segment and geographical segment*

#### **Current Year-to-Date (period ended 31 July 2018)**

Segment revenue	Investment Holding	SIMS	GWM and WtE	Consolidated
	RM'000	RM'000	RM'000	RM'000
Malaysia	-	1,696	-	1,696
Overseas	-	-	-	-
<b>Total Revenue</b>	<b>-</b>	<b>1,696</b>	<b>-</b>	<b>1,696</b>
<b>Results from operating activities</b>				
Segment results	(2,021)	(3,971)	(2,055)	(8,047)
Finance costs				(369)
Loss before taxation				(8,416)
Taxation				-
Loss for the period				(8,416)
<b>Segment Assets</b>				
Segment Assets	26,986	14,153	25,033	66,172
Consolidated total assets				66,172

#### **Preceding Year (period ended 31 July 2017)**

Segment revenue	Investment Holding	Manufacturing	SIMS	Consolidated
	RM'000	RM'000	RM'000	RM'000
Malaysia	-	-	3,229	3,229
Overseas	-	186,864	21	186,885
<b>Total Revenue</b>	<b>-</b>	<b>186,864</b>	<b>3,250</b>	<b>190,114</b>
<b>Results from operating activities</b>				
Segment results	(81)	10,261	(3,111)	7,069
Finance costs				(993)
Profit before taxation				6,076
Taxation				(1,653)
Profit for the period				4,423
<b>Segment Assets</b>				
Segment Assets	11	241,511	39,248	280,770
Consolidated total assets				280,770

**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**

On 02.08.2018, Comintel Sdn. Bhd. filed an application in the Federal Court for a stay of execution of the Federal Court Decision made on 18.08.2017 pending the disposal of the Review ("Stay").

The hearing of the appeal against the dismissal of the Fortuna Injunction application by the High Court was fixed on 03.09.2018.

On 03.09.2018, the Court of Appeal dismissed Comintel Sdn. Bhd.'s application of appeal against the High Court Decision on 09.07.2018 with cost of RM10,000.00 to be paid to UTV and Tan Sri Dato' Seri Vincent Tan, subject to payment of allocator fee.

The hearing for Review and Stay are fixed on 02.10.2018.

As at 31.07.2018, the Group recorded the litigation liabilities in the financial statements amounted to RM22.4 million.

**A12 Changes in the composition of the Group**

Comintel Ship Systems Corporation Sdn. Bhd. is incorporated as a company limited by shares with a paid up share capital of RM200.00 divided into 200 shares of RM1.00 each on 13 June 2018 and is a wholly owned subsidiary of the Company. Its intended business activities are to design and integrate of naval, enforcement and commercial vessels, electrical and electronic systems including machinery and damage control, combat management, integrated communication, integrated bridge and navigation, alarm and announcing and machinery propulsion systems and provision of complete turnkey for the whole-ship electrical, mechanical and electronic system integration for vessels of any size and complexity.

**A13 Contingent liabilities and contingent assets**

As at 31 July 2018, total bank guarantees outstanding relating to performance and tenders amounted to RM0.1 million. The Company has provided corporate guarantees amounting to RM137.2 million to financial institutions for banking facilities made available to its subsidiaries of which RM13.3 million is utilised as at 31 July 2018.

**A14 Capital Commitments**

There were no material capital commitments as at 31 July 2018 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 2018 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	-	51	51
<b>Total for type of transaction</b>	-	51	51



## COMINTEL CORPORATION BHD ("COMCORP")

(Company No. 630068-T)

### Notes to the Interim Financial Report - 2nd Quarter ended 31st July 2018

#### Part B. Additional Information Required by The Listing Requirements of Bursa Malaysia Securities Berhad

##### B1 Review of Performance of Operating Segments of the Group

The Group recorded a revenue of RM0.9 million for the current financial quarter under review, a decrease of 99.1% or RM101.9 million as compared to the corresponding quarter last year.

As at the preceding year ended 31 January 2018, the disposal of manufacturing segment has been completed, therefore the Group will no longer has this operating segment of manufacturing for the current financial year ending 31 January 2019. In corresponding quarter last year, manufacturing segment recorded a revenue of RM101.9 million. The SIMS segment recorded a revenue of RM0.9 million with no major fluctuation as compared to the corresponding quarter last year.

For current quarter and financial year-to-date under review, the Group recorded a net loss of RM6.0 million and RM8.4 million respectively as compared to the net profit of the corresponding quarter and financial year-to-date of RM2.0 million and RM4.4 million respectively.

The losses for the current quarter and year-to-date was largely due to the loss of revenue from manufacturing segment as a result of the disposal of manufacturing segment by the sale of BCM Electronics Corporation Sdn Bhd, higher losses recorded by SIMS segment due to lower year-to-date revenue and expenditure incurred for the development and the operations of GWM and WtE businesses which have yet to generate corresponding revenue.

##### B2 Comment on current quarter result as compared with the immediate corresponding quarter

	Current Quarter ended 31.07.2018 RM'000	Corresponding Quarter ended 30.04.2018 RM'000
Revenue	929	767
Loss before tax	(6,001)	(2,415)
Loss after tax	(6,001)	(2,415)
Attributable to :		
Equity holders of the parent company	(5,632)	(2,039)
Non-controlling interests	(369)	(376)

The current financial quarter's revenue was RM0.2 million higher than that recorded in the corresponding quarter. SIMS segment revenue increased by RM0.2 million.

Net loss attributable to the equity holders of the parent company was RM5.6 million, an increase of RM3.6 million as compared to the net loss of RM2.0 million recorded in the immediate corresponding quarter. The higher losses recorded in this quarter was mainly due to the expenditure incurred for the development of the GWM and WtE segment and the reduction of interest income after the payment of dividend in the corresponding quarter.

##### B3 Prospect for the financial year ending 31 January 2019

The main focus for SIMS segment are on commercial contracts and projects awarded by Malaysian Government. The Malaysian Federal Government is still in the midst of reviewing the projects which was awarded by previous administration and halted the award for new projects. We had submitted bids and proposals and hope to secure some possible projects after the Malaysian Federal Government had reviewed and approved the Economic Development Planning. We are in the midst of exploring new potential projects in particular maintenance of telecommunication systems and supply of telecommunication systems solutions.

For our renewable green energy project in Kuang, we are undergoing the initiative to enhance our systems in order to optimise the generation of electricity and we hope to complete this process in October 2018. Barring any unforeseen circumstances, we expect Kuang plant to generate recurring revenue soon. We have been negotiating green waste management projects in Vietnam and Brunei of which it is still ongoing and we have also kickstart on the exploration of potential opportunity in Philippines and Sri Lanka. We are hopeful to conclude at least 1 project in the near 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 (Loss)/Profit Before Taxation**

	Current Quarter Ended 31.07.2018 RM'000	Corresponding Quarter Ended 31.07.2017 RM'000	Current Year To Date 31.07.2018 RM'000	Corresponding Year To Date 31.07.2017 RM'000
(Loss)/Profit before taxation is arrived at after charging / (crediting):-				
Interest Income	(314)	(58)	(1,201)	(113)
Other Income (excluding interest income)	(226)	(263)	(531)	(537)
Interest Expenses	188	503	369	993
Depreciation of property, plant & equipment	455	612	836	1,236
Gain on disposal of property, plant & equipment	-	(231)	(7)	(231)
(Gain)/Loss on realised foreign exchange	-	(6)	(2)	277
Gain on unrealised investment capital	(24)	-	(15)	-
Lease Rental of Premises	619	600	1,238	1,200
Litigation claim	420	-	826	-
Loss/(Gain) on unrealised foreign exchange	169	20	176	(152)
Provision for warranty cost	-	2	-	2
Provision for warranty cost written back	(1)	-	(1)	-
Rental of Apartment	-	6	-	12
Rental of Car park	7	7	13	13
Rental of Equipment	8	9	15	19
Rental of Land	28	29	57	57
Rental of Premises	16	26	30	47

**B6 Taxation**

	Current Quarter 31.07.2018 RM'000	Current Year To Date 31.07.2018 RM'000
<u>Malaysian Taxation</u>		
- Current	-	-
- Deferred	-	-
	<u>-</u>	<u>-</u>

**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 (Loss)/Profit Disclosure for the Current Year to date**

	Current Year To Date 31.07.2018 RM'000	(Audited) Year To Date 31.01.2018 RM'000
Total (accumulated losses)/retained profits of the Company and its subsidiaries :		
- Realised	(80,285)	(13,055)
- Unrealised	(2,304)	2,077
	(82,589)	(10,978)
Add: Consolidation adjustments	13,277	12,337
Total (accumulated losses)/retained earnings as per consolidated accounts	(69,312)	1,359

## B11 Group Borrowings

	Payable within 12 months	Payable after 12 months	Total
<u>Secured</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Bank Borrowings	2,854	7,634	10,488
Hire purchase payables	44	64	108
Total Borrowings	<u>2,898</u>	<u>7,698</u>	<u>10,596</u>

## 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 position.

## B13 Changes in material litigation

On 03.10.2013, 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" or "UTV") and Tan Sri Dato' 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 05.07.2010 until the date of payment;
2. Storage cost and insurance amounting to RM284,905 as at 31.10.2012 together with interest thereon at the rate of 5% p.a from 05.07.2010 until the date of payment;
3. Costs of RM 75,000; and
4. Cost of storage and insurance for Transmitter from 01.11.2012 till the date of removal.

Thereafter, the defendants filed for a stay of execution pending an appeal. The stay of execution was granted on condition that the judgment sum of money be paid to a joint escrow account of the solicitors.

UTV's appeal was heard before Court of Appeal judges, 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.

On 03.03.2016, the Federal Court allowed the application by UTV and Tan Sri Dato' Seri Vincent Tan Chee Yioun (collectively the "Applicants") for leave to appeal against the decision of the Court of Appeal dated 28.08.2015.

On 18.08.2017, the Federal Court allowed the appeal by UTV and Tan Sri Dato' Seri Vincent Tan with cost of RM150,000.00 and further allowed, amongst others, their counterclaim of RM20,833,053.00 together with interest at the rate of 8% per annum against Comintel.

On 07.09.2017, solicitors for the Applicants in the counterclaim, issued a letter to Comintel's solicitor demanding for payment of RM20,833,053.00 to UTV within 21 days from 07.09.2017. In the same letter, solicitors for the Applicants also states that UTV will commence enforcement proceedings against Comintel if Comintel fails to make payment within the stipulated time of 21 days from 07.09.2017 ("Statutory Notice").

On 15.09.2017, Comintel filed a notice of motion together with its affidavit in support to amongst others, review the part of the Federal Court's decision where the Federal Court proceeded to allow UTV and Tan Sri Dato' Seri Vincent Tan's counterclaim and order the refund of a sum in excess of RM20.8 million together with interest at the rate of 8% per annum ("First Motion"). In the same notice of motion, Comintel also seeks clarification to be given by the Federal Court on assessment of the value of the services and equipment supplied by Comintel to UTV under the Letter of Award in view of the Federal Court intention to "put parties back to their original position" stated in the Grounds of Judgment and on the interest awarded to UTV ("Clarification"). The motion further seeks for stay of the enforcement of the Federal Court's order pending the hearing and final disposal of the motion ("Stay").

The First Motion was withdrawn on 12.10.2017 due to practical reasons and on the advice of the Federal Court. Further, Comintel was advised to file a second Notice of Motion which was done on 13.10.2017 seeking the same Clarification and Stay ("Second Motion").

The hearing of the Second Motion is fixed on 26.01.2018.

On 15.12.2017, Comintel's solicitors appeared before a High Court Judge for hearing of the application for a Fortuna Injunction filed on 26.09.2017 to prevent the presentation of a winding up petition by UTV pursuant to the Statutory Notice ("Fortuna Injunction"). The Fortuna Injunction is scheduled for decision on 16.01.2018.

### B13 Changes in material litigation (cont'd)

On 16.01.2018, the High Court recorded terms agreed by consent by parties that the Defendants would not present, either by themselves or through any of their agents, representatives and/or employees, any winding-up petitions against Comintel, based on the letter issued by Messrs Thomas Philip dated 07.09.2017 or any other notice issued under Section 466, Companies Act 2016 in respect of the Federal Court's decision on 18.08.2017 in Federal Court Civil Appeal No.: 02(f)-12-03/2016(W) until 26.01.2018 ("Consent Order"). Comintel is to pay to the Defendants, costs of RM12,000.00 within 30 days from the date of the Consent Order and both parties are at liberty to apply.

On 26.01.2018, the Federal Court dismissed Comintel's motion to seek clarification to be given by the Federal Court on assessment of the value of the services and equipment supplied by Comintel to UTV in the High Court and interest awarded of eight per cent (8%) per annum, where each party is to bear its own legal costs. However, Federal Court clarified that interest of 8% per annum shall accrue from the date of the Federal Court's Order that is from 18.08.2017.

On 12.06.2018, solicitors for the Applicants issued a letter to Comintel's solicitor demanding the payment of RM22,198,331.43 to UTV within 21 days from 12.06.2018, pursuant to Section 465 and 466 of the Companies Act 2016. In the same letter, solicitors for the Applicants also states that UTV will commence enforcement proceedings against Comintel if Comintel fails to make payment within the stipulated time.

On 05.07.2018, Comintel filed a Notice of Motion together with an Affidavit in Support for amongst others, an order that the part of the Federal Court's decision on 18.08.2017 which allowed the counterclaim of UTV and Tan Sri Dato' Seri Vincent Tan ("FC Decision") be set aside on the ground of breach of natural justice and be directed to be reheard ("Review"). The case management for the Review was fixed on 27.07.2018.

On 09.07.2018, the High Court dismissed Comintel's application for a Fortuna Injunction to prevent the presentation of Winding-up petition against Comintel, with cost of RM12,000.00 ("HC Decision"), subject to payment of allocator fee. Subsequently, Comintel lodged an appeal to the Court of Appeal on 10.07.2018 against the HC Decision.

On 20.07.2018, Comintel's solicitor wrote a Letter to the President of Court of Appeal to request for an early hearing date for the appeal against the dismissal of the Fortuna Injunction application by the High Court and Comintel's solicitor was later informed by the President's secretary that no decision has been made.

On 27.07.2018, Comintel was served with the Winding Up petition by UTV. The case management was fixed on 29.08.2018 (then rescheduled to 05.09.2018) and the hearing for the winding-up petition is fixed on 18.10.2018.

On 02.08.2018, Comintel filed an application in the Federal Court for a stay of execution of the FC Decision pending the disposal of the Review ("Stay").

The hearing of the appeal against the dismissal of the Fortuna Injunction application by the High Court was fixed on 03.09.2018.

On 03.09.2018, the Court of Appeal dismissed Comintel's application of appeal against the HC Decision with cost of RM10,000.00 to be paid to UTV and Tan Sri Dato' Seri Vincent Tan, subject to payment of the allocator fee.

The hearing for Review and Stay are fixed on 02.10.2018.

### B14 Proposed Dividends

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

### B15 Status of Utilisation of Proceeds

Disposal of 100% equity interest in BCM Electronics Corporation Sdn Bhd, a wholly owned subsidiary of Comcorp ("BCM Electronics") to Aurelius Holdings Sdn Bhd

On 25 January 2018, the disposal of BCM Electronics has been completed. As at 31 July 2018, the status of utilisation of the proceeds is as follow:-

Details of utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds channelled to RM'000	Balance to be Utilised RM'000	Remaining Timeframe for Utilisation
Development of our Company's green waste management and waste-to-energy businesses	40,000	8,678	-	31,322	Within 12 months
Working capital (Note 1)	8,156	12,673	145	(4,372)	Within 6 months
Proposed Distribution to shareholders	63,000	63,000	-	-	Fully utilised
Estimated expenses in relation to the Disposal	1,166	1,021	(145)	-	Fully utilised
Total	112,322	85,372	-	26,950	

**B15 Status of Utilisation of Proceeds (cont'd)**

Note 1: Working capital

Working capital requirements	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised proceeds channelled to RM'000	Balance to be Utilised RM'000
Staff salaries and benefits	5,271	6,223	145	(807)
General administrative and other operating expenses for our Company's waste-to-energy business	1,452	3,451	-	(1,999)
General administrative and other operating expenses for our Company's SIMS segment	1,433	399	-	1,034
Working capital requirement of RM2.6 million to fund the project secured by PT Intelcom Indonesia, a 80% owned subsidiary of Comcorp	-	2,600	-	(2,600)
	<u>8,156</u>	<u>12,673</u>	<u>145</u>	<u>(4,372)</u>

On 17.08.2018, the Company announced its intention to undertake the proposed variation to the utilisation of proceeds raised from the disposal of 100% equity interest in BCM Electronics.

**B16 (Loss)/Earnings Per share**

The basic (loss)/earnings per share is calculated by dividing loss 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 2019 are as follows:-

	Current Qtr <u>31.07.2018</u>	Cumulative Qtr To-date <u>31.07.2018</u>
Loss attributable to owners of the Company (RM'000)	(5,632)	(7,671)
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)	(4.02)	(5.48)

**B17 Comparative Figures**

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

**B18 Audit Report Qualification and Status of Matters Raised**

The audited financial statements of the Group for the financial year ended 31 January 2018 were not subject to any qualification.

**B19 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 27 September 2018.

**Date: 27-Sep-2018**