

COMINTEL CORPORATION BHD ("COMCORP")

Registration No. 200301027648 (Company No. 630068-T)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**FOR THE THIRD QUARTER ENDED 31 OCTOBER 2021****(The figures have not been audited)**

		Current Quarter Ended 31.10.2021 RM'000	Corresponding Quarter Ended 31.10.2020 RM'000	% change	Current Year To Date 31.10.2021 RM'000	Corresponding Year To Date 31.10.2020 RM'000	% change
	Note						
CONTINUING OPERATIONS							
Revenue	A9	10,683	1,033	>100.0	11,579	1,577	>100.0
Cost of sales		(7,195)	(449)		(7,434)	(584)	
Gross profit		3,488	584	>100.0	4,145	993	>100.0
Other operating income		(2,326)	603		30	925	
Other operating, administrative, selling and distribution expenses		1,659	(2,776)		(3,515)	(7,430)	
Profit/(Loss) from operations		2,821	(1,589)	>100.0	660	(5,512)	>100.0
Finance costs		94	(192)		(85)	(551)	
Profit/(Loss) before taxation	B5	2,915	(1,781)	>100.0	575	(6,063)	>100.0
Taxation	B6	-	-		4	-	
Profit/(Loss) after taxation from continuing operations		2,915	(1,781)		579	(6,063)	
Post-tax loss from discontinued operations		(1,341)	-		(1,341)	-	
Profit/(Loss) for the period		1,574	(1,781)	>100.0	(762)	(6,063)	87.4
Other comprehensive expense:							
<i>Items that are or may not be reclassified subsequently to profit or loss</i>							
-Exchange differences arising from translation of foreign operations		1	6		(13)	11	
Total comprehensive income/(expense) for the period		<u>1,575</u>	<u>(1,775)</u>		<u>(775)</u>	<u>(6,052)</u>	
Profit/(Loss) attributable to:							
Equity holders of the parent company		1,628	(1,590)	>100.0	(231)	(5,471)	95.8
Non-controlling interests		(54)	(191)		(531)	(592)	
		<u>1,574</u>	<u>(1,781)</u>	>100.0	<u>(762)</u>	<u>(6,063)</u>	87.4
Total comprehensive expense attributable to:							
Equity holders of the parent company		1,629	(1,585)		(241)	(5,462)	
Non-controlling interests		(54)	(190)		(534)	(590)	
		<u>1,575</u>	<u>(1,775)</u>		<u>(775)</u>	<u>(6,052)</u>	
Earnings/(Loss) per share							
- Basic (sen)	B14	1.16	(1.14)		(0.17)	(3.91)	
- Diluted (sen)	B14	1.16	(1.14)		(0.17)	(3.91)	

Note:

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 January 2021 and the accompanying explanatory notes attached to these interim financial statements.

COMINTEL CORPORATION BHD ("COMCORP")

Registration No. 200301027648 (Company No. 630068-T)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2021

(The figures have not been audited)

	As At 31.10.2021	(Audited) As At 31.01.2021
Note	RM'000	RM'000 (Restated)
ASSETS		
Non-current assets		
Property, plant and equipment	74	137
Right-of-use assets	1,342	2,003
Trade receivables	814	-
	<u>2,230</u>	<u>2,140</u>
Current assets		
Property, plant and equipment	-	1,504
Right-of-use assets	-	592
Other investments	-	462
Inventories	61	67
Contract assets	474	39
Contract costs	493	303
Trade receivables	7,195	444
Other receivables, deposits and prepayments	176	2,570
Tax recoverable	141	566
Short term deposits with financial institutions	122	399
Cash and bank balances	994	4,027
	<u>9,656</u>	<u>10,973</u>
Assets classified as held for sale	3,861	-
	<u>13,517</u>	<u>10,973</u>
TOTAL ASSETS	<u>15,747</u>	<u>13,113</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	95,745	95,745
Reserves	(1,357)	(1,347)
Accumulated losses	(85,972)	(85,741)
Total equity attributable to equity holders of the parent	8,416	8,657
Non-controlling interests	(11,039)	(10,505)
TOTAL EQUITY	<u>(2,623)</u>	<u>(1,848)</u>
Non-current liabilities		
Lease liabilities	860	1,985
Trade payables	409	-
	<u>1,269</u>	<u>1,985</u>
Current liabilities		
Lease liabilities	551	3,068
Trade payables	3,688	735
Other payables and accruals	6,657	8,960
Contract liabilities	1,647	208
Provision for taxation	-	5
	<u>12,543</u>	<u>12,976</u>
Liabilities classified as held for sale	4,558	-
	<u>17,101</u>	<u>12,976</u>
TOTAL LIABILITIES	<u>18,370</u>	<u>14,961</u>
TOTAL EQUITY AND LIABILITIES	<u>15,747</u>	<u>13,113</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)	0.0601	0.0618

Note:

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 January 2021 and the accompanying explanatory notes attached to these interim financial statements.

COMINTEL CORPORATION BHD ("COMCORP")

Registration No. 200301027648 (Company No. 630068-T)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 OCTOBER 2021

(The figures have not been audited)

Note	<----- Attributable to equity holders of the parent ----->						
	<---- (Non Distributable) ---->			(Distributable)		Non-controlling Interest	Total Equity
	Share Capital	Other Reserves	Translation Reserves	Accumulated losses	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>9 months period ended 31 October 2021</u>							
Balance as at 1 February 2021	95,745	(1,283)	(64)	(85,741)	8,657	(10,505)	(1,848)
Changes in equity during the period:							
Loss for the period	-	-	-	(231)	(231)	(531)	(762)
Other comprehensive expense:							
- Translation reserves	-	-	(10)	-	(10)	(3)	(13)
Total comprehensive expense for the period	-	-	(10)	(231)	(241)	(534)	(775)
At 31 October 2021	95,745	(1,283)	(74)	(85,972)	8,416	(11,039)	(2,623)
<u>9 months period ended 31 October 2020</u>							
Balance as at 1 February 2020	95,745	-	(71)	(71,445)	24,229	(15,335)	8,894
Changes in equity during the period :							
Loss for the period	-	-	-	(5,471)	(5,471)	(592)	(6,063)
Other comprehensive expense:							
- Translation reserves	-	-	9	-	9	2	11
Total comprehensive income/(expense) for the period	-	-	9	(5,471)	(5,462)	(590)	(6,052)
Reconsolidation of subsidiaries	-	(1,361)	-	(6,010)	(7,371)	6,010	(1,361)
At 31 October 2020	95,745	(1,361)	(62)	(82,926)	11,396	(9,915)	1,481

Note:

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 January 2021 and the accompanying explanatory notes attached to these interim financial statements.

COMINTEL CORPORATION BHD ("COMCORP")

Registration No. 200301027648 (Company No. 630068-T)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 OCTOBER 2021

(The figures have not been audited)

	Current Year To Date 31.10.2021 RM'000	Corresponding Year To Date 31.10.2020 RM'000
Cash flows from operating activities		
Profit/(Loss) before taxation	575	(6,063)
Pre-tax loss from a discontinued operations	(1,337)	-
	<u>(762)</u>	<u>(6,063)</u>
Adjustments for non cash and non operating items:		
Bad debts written-off	(42)	-
Depreciation of property, plant & equipment	137	218
Depreciation of right-of-use assets	600	425
Gain on disposal of right-of-use assets	(1,970)	-
Impairment losses on:		
-trade receivables	211	-
-other receivables, deposits and prepayments	1,212	-
Interest expenses	44	300
Interest income	(8)	(77)
Interest on lease liabilities	193	251
Unrealised capital loss on other investments	-	7
Unrealised loss on foreign exchange	35	-
	<u>(350)</u>	<u>(4,939)</u>
Operating loss before working capital changes		
Other investments	163	10,998
Inventories	7	(125)
Trade receivables	(7,777)	237
Other receivables, deposits and prepayments	759	5,335
Contract asset	(435)	(9)
Contract cost	(190)	-
Trade payables	4,046	(540)
Other payables and accruals	763	(4,435)
Contract liabilities	1,439	86
	<u>(1,575)</u>	<u>6,608</u>
Cash (used in)/generated from operations		
Interest paid	(44)	(551)
Income tax paid	(141)	-
	<u>(1,760)</u>	<u>6,057</u>
Net cash (used in)/generated from operating activities		
Cash flows from investing activities		
Cash inflow arising from reconsolidation	-	198
Cash outflow arising from discontinued operations	(238)	-
Purchase of property, plant & equipment	(17)	(66)
Interest income received	-	77
	<u>(255)</u>	<u>209</u>
Net cash (used in)/generated from investing activities		
Balance carried forward	(2,015)	6,266

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 OCTOBER 2021

(The figures have not been audited)

	Current Year To Date 31.10.2021 RM'000	Corresponding Year To Date 31.10.2020 RM'000
Balance brought forward	(2,015)	6,266
Cash flows from financing activities		
(Withdrawal)/Placement of short term deposits pledged for banking facilities	(3)	2,877
Repayment of bank borrowings	-	(6,849)
Repayment of lease liabilities	(1,016)	(648)
<i>Net cash used in financing activities</i>	(1,019)	(4,620)
Effect of exchange rate changes	1	(26)
Net changes in cash and cash equivalents	(3,034)	1,646
Cash and cash equivalents at the beginning of the financial period	4,027	1,430
<i>Cash and cash equivalents at the end of the financial period</i>	<u>994</u>	<u>3,050</u>
<i>Analysed into:</i>		
Short term deposits with financial institutions	122	404
Cash and bank balances	994	3,050
	<u>1,116</u>	<u>3,454</u>
Less: Short term deposits pledged	(122)	(404)
<i>Cash and cash equivalents at the end of the financial period</i>	<u>994</u>	<u>3,050</u>

Note:

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 January 2021 and the accompanying explanatory notes attached to these interim financial statements.

COMINTEL CORPORATION BHD ("COMCORP")

Registration No. 200301027648 (Company No. 630068-T)

NOTES TO THE INTERIM FINANCIAL REPORT - THIRD QUARTER ENDED 31 OCTOBER 2021

PART A: EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD (MFRS) 134

A1 Basis of preparation

These condensed consolidated financial statements ("Condensed Report") are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB"), the International Financial Reporting Standards ("IFRS") 134 Interim Financial Reporting and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report, other than for financial instruments, has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 Financial Instruments.

This Condensed Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 January 2021. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2021.

A2 Changes in accounting policies

The accounting policies adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 January 2021.

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 2021. 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.

The following Standards and amendments to Standards have been issued by the MASB but are not yet effective. These pronouncements are either not relevant or do not have any material impact on the financial statements of the Group.

Standards issued but not yet effective

	effective for financial periods beginning on or after
Amendments to MFRS 16 <i>Leases – COVID-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021
Amendments to MFRS 3 <i>Business Combinations – Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 101 <i>Presentation of Financial Statements – Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements – Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 10 <i>Consolidated Financial Statements - Sale or Contributions of Assets between an Investor and its Associate or Joint Venture</i>	Deferred
Amendments to MFRS 128 <i>Investments in Associates and Joint Ventures - Sale or Contributions of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group will adopt the relevant pronouncements when they become effective in the respective financial periods.

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A3 Auditors' report on preceeding audited financial statements

The Company's External Auditors, Messrs RSM Malaysia had expressed the following qualified opinion in the Company's Audited Financial Statements for the financial year ended 31 January 2021.

Qualified Opinion

We have audited the financial statements of Comintel Corporation Bhd, which comprise the statements of financial position as at 31 January 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 97.

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

As disclosed in Note 3 to the financial statements, the financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concern. The application of the going concern basis is based on the assumption that a major shareholder has agreed to provide adequate funds for the Group and for the Company to meet its liabilities as they fall due and to finance the working capital requirement of the Group and of the Company.

The Group and the Company incurred a net loss of RM9,468,000 and RM11,422,000 respectively during the financial year ended 31 January 2021, and as at that date, the Group's and the Company's current liabilities exceeded its current assets by RM1,855,000 and RM1,529,000 respectively.

On 25 January 2018 and 29 January 2018, the directors announced that Company had triggered Paragraph 8.03A of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and was classified as an affected listed issuer. On 28 March 2019, the directors announced that the Company had further triggered Paragraph 2.1(a) of PN17 of the MMLR of Bursa Securities.

The Company announced a proposed regularisation plan on 22 July 2020 which comprise of proposed disposal, share capital reduction, private placement and acceptance of contract ("Proposed Regularisation Plan"). For the purpose of undertaking the Proposed Regularisation Plan, the Company had on the same date entered into a share sale agreement with Allied Technologies Group Sdn. Bhd. for the proposed disposal of certain subsidiaries for an aggregate cash consideration of RM1 million, a subscription agreement with the investor and an agreement to award with Dhaya Maju Infrastructure (Asia) Sdn Berhad.

On 26 April 2021, the Company announced that the conditions precedent of the share sale agreement, subscription agreement and agreement to award (which were dated 22 July 2020) have not been fulfilled on or before the cut-off date of 22 April 2021. Accordingly, the Proposed Regularisation Plan which are inter-conditional upon each other was aborted.

The Company has made a written application to Bursa Securities on 21 April 2021 for an extension of time of 6 months from 24 April 2021 to 24 October 2021 to submit its Regularisation Plan ("EOT Application"). Bursa Securities has, vide its letter dated 20 May 2021, rejected the EOT Application of the Company. The trading of the securities of the Company will be suspended with effect from 31 May 2021 and the securities of the Company will be delisted on 2 June 2021 unless an appeal against the delisting is submitted to Bursa Securities on or before 28 May 2021 (the Appeal Timeframe). In the event the Company submits an appeal to Bursa Securities within the Appeal Timeframe, the delisting of the securities of the Company from the Official List of Bursa Securities on 2 June 2021 will be deferred pending the decision on the Company's appeal.

The trading in the securities of the Company has been suspended with effect from 31 May 2021 and a written appeal against the de-listing was submitted to Bursa Securities on 28 May 2021.

The abovementioned events and conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and of the Company to continue as a going concern.

The ability of the Group and of the Company to carry on as a going concern, amongst others, is dependent upon the ability of the Group and of the Company to achieve sustainable and viable operations with adequate cash flows generated from their operating activities.

In the event that these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements of the Group and of the Company may require adjustment to restate the carrying amounts of the assets to their recoverable amounts and to provide further liabilities that may arise.

The financial statements of the Group and of the Company do not include any adjustments and classification relating to the recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concern, other than the assets and liabilities of Comintel Green Technologies Sdn. Bhd. that are stated on break up basis in the consolidated financial statements of the Group.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

A3 Auditors' report on preceeding audited financial statements (cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year.

Matters giving rise to a modified opinion are by their nature key audit matters and consequently the matters described in our basis for qualified opinion section of our report has addressed the key audit matters and we have determined that there are no other key matters to communicate in our report.

Steps taken or proposed to be taken to address those key audit matters that relate to the modified opinion or material uncertainty related to going concern and the timeline, based on our announcement dated 16 July 2021, Bursa Malaysia Securities Berhad ("Bursa Securities") has allowed the Company's appeal on the decision by Bursa Securities to de-list the Company's securities and further granted the Company an extension of time of up to 16 January 2022 to submit a Regularisation Plan. As per our announcement dated 1 September 2021, the Company is still working on the regularisation plan to regularise the condition of the Company.

A4 Explanatory comment on seasonality or cyclical

The Group's operations has not been affected materially by any seasonal or cyclical factors. However, the System Integration & Maintenance Services' ("SIMS") business operation results were very much dependent on the timing of completion of each project.

A5 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and period ended 31 October 2021.

A6 Significant estimates and change in estimates

There were no changes in estimates that have had any material effect during the current quarter results and period ended 31 October 2021.

A7 Debt and equity securities

There were no issuance, repurchases and repayment of debt and equity securities, shares buy-back, share cancellations, shares held as treasury shares or resale of treasury shares during the current quarter and period ended 31 October 2021.

A8 Dividend

No interim nor final dividend has been declared, recommended or paid during the financial quarter under review and the financial period to date.

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)
- (d) Construction

Pursuant to the Proposed Disposal which the details is disclosed in note B3, GWM and WtE segment which formed part of the Disposal Companies is classified as discontinued operation and its assets/liabilities are classified as assets/liabilities held for sale for the current financial period, therefore GWM and WtE segment results was nil. Upon completion of the Proposed Disposal, the Group will no longer have GWM and WtE segment.

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.

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A9 Segmental information (cont'd)*Segment revenue, segment results and segment assets employed for operating segment and geographical segment***Current financial period ended 31 October 2021**

Segment revenue	Investment Holding RM'000	SIMS RM'000	GWM and WtE RM'000	Construction RM'000	Consolidated RM'000
Malaysia	-	3,039	-	8,540	11,579
Overseas	-	-	-	-	-
Total Revenue	-	3,039	-	8,540	11,579
Results from operating activities					
Segment results	(1,542)	22	-	2,180	660
Finance costs					(85)
Profit before taxation					575
Taxation					4
Post-tax loss from discontinued operations					(1,342)
Loss for the period					(763)
Segment Assets					
Segment total assets	93	5,635	-	6,158	11,886
Assets classified as held for sale					3,861
					15,747

A9 Segmental information (cont'd)*Segment revenue, segment results and segment assets employed for operating segment and geographical segment (cont'd)***Corresponding financial period ended 31 October 2020**

Segment revenue	Investment Holding RM'000	SIMS RM'000	GWM and WtE RM'000	Construction RM'000	Consolidated RM'000
Malaysia	121	1,443	13	-	1,577
Overseas	-	-	-	-	-
Total Revenue	121	1,443	13	-	1,577
Results from operating activities					
Segment results	(2,017)	(1,954)	(1,541)	-	(5,512)
Finance costs					(551)
Loss before taxation					(6,063)
Taxation					-
Loss for the period					(6,063)
Segment Assets					
Segment total assets	12,341	2,303	316	-	14,960

A10 Valuation of property, plant and equipment

There were no changes to the valuation of property, plant and equipment from the previous year's audited financial statements.

A11 Material events subsequent to the end of the interim period

There were no material events since the end of the current quarter to the date of this announcement that have not been disclosed in the interim financial statements for the current financial period.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter.

A13 Contingent assets and liabilities

As at 31 October 2021, total bank guarantees issued or outstanding by the Group in relation to performance and tenders amounted to RM0.03 million. The Company has provided corporate guarantees amounting to RM69.1 million to financial institutions for banking facilities made available to its subsidiaries of which RM0.03 million has been utilised as at 31 October 2021.

A14 Capital commitments

There was no material capital commitment as at the end of the financial period and up to the date of this report.

A15 Related party transactions

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms. The Group's related party transactions for the current quarter and financial year-to-date were as follows:

Nature of Relationship	Purchase of goods RM'000	Service Received RM'000	Total for nature of relationship RM'000
Director, other key management personnel	-	27	27
Total for type of transaction	-	27	27

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COMINTEL CORPORATION BHD ("COMCORP")

Registration No. 200301027648 (Company No. 630068-T)

NOTES TO THE INTERIM FINANCIAL REPORT - THIRD QUARTER ENDED 31 OCTOBER 2021**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1 Review of performance of operating segments of the Group**

The Group recorded revenue of RM10.7 million and profit before tax of RM2.9 million for the current quarter ended 31 October 2021, compared to revenue of RM1.0 million and loss before tax of RM1.8 million in the corresponding quarter of the preceding financial year. The increase in Group's revenue and profit before tax mainly due to Construction segment.

The Construction segment which is contributed by Total Package Work Sdn Bhd ("TPW"), a subsidiary of the Company, has achieved a total revenue of RM8.5 million and profit before tax RM2.2 million since its commencement of construction projects in August 2021. The segment is expected to continue to deliver positive results and improve the Group's overall turnover and profitability moving forward.

SIMS segment reported revenue of RM2.2 million and profit before tax RM0.8 million compared to revenue of RM1.0 million and loss before tax RM0.4 million in the corresponding quarter of the preceding financial year. Higher revenue and increase in profit recorded in the current quarter under review was mainly contributed from Comintel System Technologies Sdn Bhd ("CST"), a subsidiary of the Company, which SIMS related work were completed during the current financial period as well as progress billing were issued on several SIMS projects.

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

	Current Quarter Ended 31.10.2021 <u>RM'000</u>	Corresponding Quarter Ended 31.07.2021 <u>RM'000</u>
Revenue	10,683	531
Profit/(Loss) before taxation	2,915	(670)
Profit/(Loss) for the period	1,574	(670)
Attributable to :		
Equity holders of the parent company	1,628	(296)
Non-controlling interests	(54)	(374)

The revenue for the current financial quarter was RM10.2 million higher than the revenue recorded in the immediate corresponding quarter ended 31 July 2021. Profitability improved mainly due to Construction segment.

Revenue was contributed by Construction of RM8.5 million and SIMS of RM2.2 million in current quarter whereas revenue in the immediate corresponding quarter contributed wholly by SIMS segment. The increase in revenue were mainly due to Construction segment which has commenced its Construction projects in August 2021.

Net profit attributable to the equity holders of the parent company was RM1.6 million, a increase of RM1.9 million as compared to the net loss of RM0.3 million recorded in the immediate corresponding quarter. The higher profit was mainly contributed by Construction segment.

B3 Prospects

On 27 May 2021, the Company entered into an agreement to award with Binastra Construction (M) Sdn. Bhd. ("Binastra Construction") for the acceptance of a total of 3 letters of award by TPW from Binastra Construction totalling to RM117.7 million. Based on our announcement dated 16 July 2021, all the conditions precedent of the agreement to award have been fulfilled as at 16 July 2021. Accordingly, the agreement to award has become unconditional on 16 July 2021.

Subsequently, TPW had on 3 September 2021 accepted a letter of award for sub-contract for earthwork and rock hacking works from Binastra Construction with a total contract sum of RM7.2 million for a property development project located at Damansara Perdana, Mukim Sungai Buloh, Petaling District, Selangor Darul Ehsan.

On 18 October, TPW had accepted a revised letter of award for sub-contract for supply labour and material for concrete, formwork, reinforcement bars and BRC works from Binastra Constuction with a revised contract sum of RM96.6 million (initial contract sum was RM12.7 million).

The total contract sum (including variation works) secured to-date for Construction segment was RM215.1 million whereas the outstanding order book stood at RM206.7 million as at 31 October 2021.

B3 Prospects (cont'd)

As announced on 15 September 2021, the Company proposed to undertake the following:

- (i) disposal of 100.00% equity interest in Comintel Sdn Bhd ("Comintel"), Green Waste Management Sdn Bhd ("GWM"), Comintel (HK) Limited ("CHK") and Comintel Mobility Sdn Bhd ("CMSB"), 80.00% equity interest in PT Intelcom Indonesia ("PTI") and 50.60% equity interest in Comintel Green Technologies Sdn Bhd ("CGT") (collectively as "Disposal Companies") for an aggregate cash consideration of RM100,000.00 ("Disposal Consideration") ("Proposed Disposal"); and
- (ii) diversification of the existing business activities of the Company and its subsidiaries to include construction related businesses ("Proposed Diversification").

The Proposed Disposal will enable the Group to divest the non-core assets and deconsolidate certain loss making business entities. It also helps to eliminate potential losses which may be incurred by the loss making business entities and streamline its operations to focus on SIMS as well as the construction business which are expected to be viable and profitable in the mid to long term.

The Proposed Diversification will allow the Group to venture into and include the construction business as part of its core business as well as to diversify its earnings base and reduce dependency on its existing business segments.

Both the Proposed Disposal and Proposed Diversification were approved by the shareholders during the Extra Ordinary Meeting held on 9 November 2021.

The Proposed Disposal has completed on 8 December 2021. Following the completion of the Proposed Disposal, the Disposal Companies have ceased to be subsidiaries of the Company. The Proposed Disposal will result in an estimated loss of RM11.6 million.

Moving forward, the Group aims to focus on the construction segment to be the main revenue driver of the Group. Notwithstanding the Group's objective to expand its core business in construction, it will still maintaining the sustainable SIMS segment.

As mentioned in note A3 that Bursa Securities has granted the Company an extension of time of up to 16 January 2022 to submit a Regularisation Plan, the management of Comcorp together with its appointed advisers are working to finalise the Regularisation Plan for submission to the regulatory authorities while at the same time, the Group continues its efforts to develop new opportunities to strengthen the operating segments. Barring any unforeseen circumstances, we are cautiously hopeful that we are able to regularise our financial condition.

B4 Profit forecast or profit guarantee

There was no financial estimate, forecast or projection and profit guarantee issued by the Group.

B5 Profit/(Loss) before taxation from continuing operations

	Current Quarter Ended 31.10.2021 RM'000	Corresponding Quarter Ended 31.10.2020 RM'000	Current Year To Date 31.10.2021 RM'000	Corresponding Year To Date 31.10.2020 RM'000
Profit/(Loss) before taxation are stated after charging / (crediting) :				
Interest income	1	(22)	-	(64)
Other income (excluding interest income)	(7)	(811)	(20)	(922)
Interest expenses	33	234	85	541
Depreciation of property, plant & equipment	(33)	77	13	218
Depreciation of right-of-use assets	137	290	289	425
Expenses relating to leases of low value assets	10	14	17	27
Expenses relating to short-term leases	35	109	87	427
Gain on derecognition of right-of-use assets	1,972	-	-	-
Impairment losses on trade receivables	47	-	47	-
Impairment losses on other receivables, deposits and prepayments	(1,396)	-	-	-
Unrealised capital loss on other investments	-	(2)	-	(9)
Unrealised loss/(gain) on foreign exchange	16	199	(11)	204

B6 Taxation

	Current Quarter Ended 31.10.2021 RM'000	Corresponding Quarter Ended 31.10.2020 RM'000	Current Year To Date 31.10.2021 RM'000	Corresponding Year To Date 31.10.2020 RM'000
<u>Malaysian Taxation</u>				
- Current	-	-	-	-
- Over provision in prior year	4	-	-	-
	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>

B7 Profit or loss on sales of unquoted investments and properties

The Group has not disposed any unquoted investment or properties in the current quarter.

B8 Quoted securities

There was no purchase nor disposal of quoted securities in the current quarter.

B9 Corporate proposal

On 27 May 2021, the Company entered into an agreement to award with Binastra Construction for the acceptance of a total of 3 letters of award by TPW from Binastra Construction totalling to RM117.7 million. Based on our announcement dated 16 July 2021, all the conditions precedent of the agreement to award have been fulfilled as at 16 July 2021. Accordingly, the agreement to award has become unconditional on 16 July 2021.

On 15 September 2021, the Company had entered into a conditional share sale agreement ("SSA") with Allied Technologies Group Sdn Bhd in relation to the Proposed Disposal of the following companies for an aggregate cash consideration of RM0.1 million:

- (i) 13,000,000 ordinary shares in Comintel, representing the entire equity interest in Comintel for a cash consideration of RM1.00;
- (ii) 3,000,000 ordinary shares in GWM, representing the entire equity interest in GWM for a cash consideration of RM72,000.00;
- (iii) 1,000 ordinary shares in CHK, representing the entire equity interest in CHK for a cash consideration of RM1.00;
- (iv) 250,000 ordinary shares in CMSB, representing the entire equity interest in CMSB for a cash consideration of RM1.00;
- (v) 200,000 ordinary shares in PTI, representing 80.00% equity interest in PTI for a cash consideration of RM27,996.00; and
- (vi) 4,200,000 ordinary shares in CGT, representing 50.60% equity interest in CGT for a cash consideration of RM1.00.

On the same date, the Company announced a proposal to undertake diversification of the existing business activities of the Company and its subsidiaries to include construction related businesses.

On 9 November 2021, the shareholders of the Company have at the Extraordinary General Meeting ("EGM") approved the Proposed Disposal and Proposed Diversification.

On 18 November 2021, all the conditions precedent of the share sale agreement ("SSA") in relation to the Proposed Disposal have been fulfilled and the SSA has become unconditional on 18 November 2021.

The Proposed Disposal has been completed on 8 December 2021 in accordance with the terms and conditions of the SSA. Following the completion of the Proposed Disposal, the Disposal Companies have ceased to be subsidiaries of the Company.

B10 Group borrowings

As at 31 October 2021, the Group does not have any outstanding borrowings.

B11 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.

B12 Changes in material litigation

There were no material litigations, which would have a material adverse effect on the financial results for the current financial period under review.

B13 Proposed dividends

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

B14 Earnings/(Loss) per share

The basic/diluted earnings/(loss) per share is calculated by dividing profit/(loss) for the period attributable to ordinary equity owners of the parent by the weighted average number of ordinary shares in issue are as follow:-

	Current Quarter 31.10.2021	Corresponding Quarter 31.10.2020	Current Year To Date 31.10.2021	Corresponding Year To Date 31.10.2020
Profit/(Loss) attributable to equity holders of the Company (RM'000)	1,628	(1,590)	(231)	(5,471)
Weighted average number of ordinary shares in issue ('000)	140,000	140,000	140,000	140,000
Basic/Diluted earnings/(loss) per share (sen)	1.16	(1.14)	(0.17)	(3.91)

B15 Comparative figures

Comparative figures, where applicable, have been restated to conform with the current financial period presentation.

B16 Auditors' report on preceeding audited financial statements

The Company's External Auditors, Messrs RSM Malaysia had expressed the following qualified opinion in the Company's Audited Financial Statements for the financial year ended 31 January 2021.

Qualified Opinion

We have audited the financial statements of Comintel Corporation Bhd, which comprise the statements of financial position as at 31 January 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 97.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Qualified Opinion

As disclosed in Note 3 to the financial statements, the financial statements of the Group and of the Company have been prepared on the assumption that the Group and the Company will continue as going concern. The application of the going concern basis is based on the assumption that a major shareholder has agreed to provided adequate funds for the Group and for the Company to meet its liabilities as they fall

The Group and the Company incurred a net loss of RM9,468,000 and RM11,422,000 respectively during the financial year ended 31 January 2021, and as at that date, the Group's and the Company's current liabilities exceeded its current assets by RM1,855,000 and RM1,529,000 respectively.

On 26 April 2021, the Company announced that the conditions precedent of the share sale agreement, subscription agreement and agreement to award (which were dated 22 July 2020) have not been fulfilled on or before the cut-off date of 22 April 2021. Accordingly, the Proposed Regularisation Plan which are inter-conditional upon each other was aborted.

B16 Auditors' report on preceeding audited financial statements (cont'd)

Basis for Qualified Opinion (cont'd)

The Company has made a written application to Bursa Securities on 21 April 2021 for an extension of time of 6 months from 24 April 2021 to 24 October 2021 to submit its Regularisation Plan ("EOT Application"). Bursa Securities has, vide its letter dated 20 May 2021, rejected the EOT Application of the Company. The trading of the securities of the Company will be suspended with effect from 31 May 2021 and the securities of the Company will be delisted on 2 June 2021 unless an appeal against the delisting is submitted to Bursa Securities on or before 28 May 2021 (the Appeal Timeframe). In the event the Company submits an appeal to Bursa Securities within the Appeal Timeframe, the delisting of the securities of the Company from the Official List of Bursa Securities on 2 June 2021 will be deferred pending the decision on the Company's appeal.

The trading in the securities of the Company has been suspended with effect from 31 May 2021 and a written appeal against the de-listing was submitted to Bursa Securities on 28 May 2021.

The abovementioned events and conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group and of the Company to continue as a going concern.

The ability of the Group and of the Company to carry on as a going concern, amongst others, is dependent upon the ability of the Group and of the Company to achieve sustainable and viable operations with adequate cash flows generated from their operating activities.

In the event that these are not forthcoming, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business. Accordingly, the financial statements of the Group and of the Company may require adjustment to restate the carrying amounts of the assets to their recoverable amounts and to provide further liabilities that may arise.

The financial statements of the Group and of the Company do not include any adjustments and classification relating to the recorded assets and liabilities that may be necessary should the Group and the Company be unable to continue as going concern, other than the assets and liabilities of Comintel Green Technologies Sdn. Bhd. that are stated on break up basis in the consolidated financial statements of the Group.

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year.

Matters giving rise to a modified opinion are by their nature key audit matters and consequently the matters described in our basis for qualified opinion section of our report has addressed the key audit matters and we have determined that there are no other key matters to communicate in our report.

Steps taken or proposed to be taken to address those key audit matters that relate to the modified opinion or material uncertainty related to going concern and the timeline, based on our announcement dated 16 July 2021, Bursa Malaysia Securities Berhad ("Bursa Securities") has allowed the Company's appeal on the decision by Bursa Securities to de-list the Company's securities and further granted the Company an extension of time of up to 16 January 2022 to submit a Regularisation Plan. As per our announcement dated 1 September 2021, the Company is still working on the regularisation plan to regularise the condition of the Company.

B17 Authorisation for issue

The Condensed Report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 December 2021.

Date: 15 December 2021

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