

COMINTEL CORPORATION BHD ("COMCORP")

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**FOR THE FIRST QUARTER ENDED 30 APRIL 2020****(The figures have not been audited)**

		Current Quarter Ended 30.04.2020 RM'000	Corresponding Quarter Ended 30.04.2019 RM'000	% change	Current Year To Date 30.04.2020 RM'000	Corresponding Year To Date 30.04.2019 RM'000	% change
	Note						
CONTINUING OPERATIONS							
Revenue	A9	220	1 21,900		220	1 21,900	
Cost of sales		(48)	-		(48)	-	
Gross profit		172	1 17,100		172	1 17,100	
Other operating income		69	212		69	212	
Group's gain from loss of control in subsidiaries		-	17,918		-	17,918	
Other operating, administrative, selling and distribution expenses		(2,424)	(1,162)		(2,424)	(1,162)	
(Loss) / Profit from Operations		(2,183)	16,969	(113)	(2,183)	16,969	(113)
Finance costs		(104)	(175)		(104)	(175)	
(Loss) / Profit before taxation	B5	(2,287)	16,794	(114)	(2,287)	16,794	(114)
Taxation	B6	-	(4)		-	(4)	
(Loss) / Profit after taxation from continuing operations		(2,287)	16,790		(2,287)	16,790	
Post-tax loss from operations due to loss in control		-	(1,125)		-	(1,125)	
(Loss) / Profit for the period		(2,287)	15,665	(115)	(2,287)	15,665	(115)
Other Comprehensive income:							
<i>Items that are or may not be reclassified subsequently to profit or loss</i>							
-Exchange differences arising from translation of foreign operations		6	1		6	1	
Total Comprehensive (Loss) / Income for the period		(2,281)	15,666		(2,281)	15,666	
(Loss) / Profit attributable to:							
Equity holders of the parent company		(1,983)	16,190	(112)	(1,983)	16,190	(112)
Non-controlling interests		(304)	(525)		(304)	(525)	
		(2,287)	15,665	(115)	(2,287)	15,665	(115)
Total Comprehensive (Loss) / Income attributable to:							
Equity holders of the parent company		(1,978)	16,191		(1,978)	16,191	
Non-controlling interests		(303)	(525)		(303)	(525)	
		(2,281)	15,666		(2,281)	15,666	
(Loss) / Earnings per share							
- Basic (sen)	B15	(1.42)	11.56		(1.42)	11.56	
- Diluted (sen)	B15	(1.42)	11.56		(1.42)	11.56	

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 2020 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 30 APRIL 2020**(The figures have not been audited)**

	As At 30.04.2020	(Audited) As At 31.01.2020
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	24	24
Right-of-use assets	65	73
	<u>89</u>	<u>97</u>
Current assets		
Property, plant and equipment	3,185	3,255
Right-of-use assets	636	651
Other investments	8,965	11,160
Inventories	76	50
Trade receivables	457	649
Other receivables, deposits and prepayments	5,571	5,411
Cash and bank balances	1,242	1,856
	<u>20,132</u>	<u>23,032</u>
TOTAL ASSETS	<u>20,221</u>	<u>23,129</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	95,745	95,745
Translation reserves	(66)	(71)
Accumulated losses	(73,428)	(71,445)
Total equity attributable to equity holders of the parent	22,251	24,229
Non-controlling interests	(15,638)	(15,335)
TOTAL EQUITY	<u>6,613</u>	<u>8,894</u>
Non-current liabilities		
Lease liabilities	34	42
	<u>34</u>	<u>42</u>
Current liabilities		
Trade payables	3	-
Other payables and accruals	6,291	6,387
Lease liabilities	873	881
Short term borrowings	6,402	6,920
Provision for taxation	5	5
	<u>13,574</u>	<u>14,193</u>
TOTAL LIABILITIES	13,608	14,235
TOTAL EQUITY AND LIABILITIES	<u>20,221</u>	<u>23,129</u>
Net assets per share attributable to ordinary equity holders of the parent company (RM)	0.1589	0.1731

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 2020 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 30 APRIL 2020

(The figures have not been audited)

Note	<----- Attributable to equity holders of the parent ----->					
	(Non Distributable) Share Capital RM'000	Translation Reserves RM'000	(Distributable) (Accumulated losses)/ Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
3 months period ended 30 April 2020						
	95,745	(71)	(71,445)	24,229	(15,335)	8,894
Changes in equity during the period:						
Loss for the period	-	-	(1,983)	(1,983)	(304)	(2,287)
Other comprehensive income:						
- Translation reserves	-	5	-	5	1	6
Total comprehensive expense for the period	-	5	(1,983)	(1,978)	(303)	(2,281)
At 30 April 2020	95,745	(66)	(73,428)	22,251	(15,638)	6,613
3 months period ended 30 April 2019						
Balance at 1 February 2019	95,745	687	(87,145)	9,287	(8,095)	1,192
Effects of adopting MFRS 16	-	-	(174)	(174)	-	(174)
At 1 February 2019	95,745	687	(87,319)	9,113	(8,095)	1,018
Changes in equity during the period :						
Profit/(Loss) for the period	-	-	16,190	16,190	(525)	15,665
Other comprehensive income:						
- Translation reserves	-	1	-	1	-	1
Total comprehensive income/(expense) for the period	-	1	16,190	16,191	(525)	15,666
Movement in non-controlling interest due to loss in control in subsidiaries	-	-	5,227	5,227	(5,227)	-
Transfer of translation reserve to retained profits	-	(756)	756	-	-	-
At 30 April 2019	95,745	(68)	(65,146)	30,531	(13,847)	16,684

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 2020 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 30 APRIL 2020

(The figures have not been audited)

	Current Year To Date 30.04.2020 RM'000	Corresponding Year To Date 30.04.2019 RM'000
Cash flows from operating activities		
(Loss)/Profit before taxation from continuing operations	(2,287)	16,794
Pre-tax loss from loss in control subsidiaries	-	(1,125)
	<u>(2,287)</u>	<u>15,669</u>
Adjustments for non cash and non operating items:		
Allowance for doubtful debt	189	-
Allowance for inventories obsolescence	-	11
Depreciation of property, plant & equipment	71	94
Depreciation of right-of-use of assets	23	44
Gain on disposal of other investments	-	(4)
Gain on loss of control on subsidiaries	-	(17,918)
Hire purchase interest	-	1
Interest expenses	104	164
Interest income from short term deposits	(81)	(223)
Interest on lease liabilities	24	-
Property, plant & equipment written off	1	-
Provision for doubtful debts	-	93
Unrealised capital gain on other investments	(5)	(21)
Unrealised foreign exchange loss	-	3
	<u>(1,961)</u>	<u>(2,087)</u>
Operating loss before working capital changes		
Other investments	2,281	2,570
Inventories	(26)	(9)
Trade receivables	194	(160)
Other receivables, deposits and prepayments	(348)	(2,235)
Trade payables	3	7
Other payables and accruals	(94)	1,855
Litigation losses	-	347
	<u>49</u>	<u>288</u>
Cash (used in)/generated from operations		
Interest paid	(160)	(165)
Income tax paid	-	(4)
	<u>(111)</u>	<u>119</u>
Net cash (used in)/generated from operating activities		
Cash flows from investing activities		
Purchase of property, plant & equipment	(2)	(29)
Interest income received	-	223
	<u>(2)</u>	<u>194</u>
Net cash (used in)/generated from investing activities		
Balance carried forward	(113)	313

COMINTEL CORPORATION BHD ("COMCORP")

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 APRIL 2020

(The figures have not been audited)

	Current Year To Date 30.04.2020	Corresponding Year To Date 30.04.2019
	RM'000	RM'000
Balance brought forward	(113)	313
Cash flows from financing activities		
Placement of pledged fixed deposits	-	(18)
Repayment of bank borrowings	(462)	(462)
Repayment of hire purchase liabilities	-	(11)
Repayment of lease liabilities	(39)	(646)
<i>Net cash used in financing activities</i>	(501)	(1,137)
Net changes in cash and cash equivalents	(614)	(824)
Cash and cash equivalents at the beginning of the year	1,430	2,153
<i>Cash and cash equivalents at the end of the period</i>	<u>816</u>	<u>1,329</u>
<i>Analysed into:</i>		
Cash and bank balances	1,242	1,755
Cash deposit pledged	(426)	(426)
<i>Cash and cash equivalents at the end of the period</i>	<u>816</u>	<u>1,329</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 2020 and the accompanying explanatory notes attached to these interim financial statements.

NOTES TO THE INTERIM FINANCIAL REPORT - 1ST QUARTER ENDED 30 APRIL 2020

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 2020. 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 2020.

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 2020.

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 2020. 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 - Leases : Covid 19 - Related Rent Concessions	1 June 2020
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

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

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 2020.

Qualified Opinion

We have audited the financial statements of Comintel Corporation Bhd, which comprise the statements of financial position as at 31 January 2020 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 92.

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 2020, 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

The 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 in the previous financial year. 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 is required to submit a proposed regularisation plan for the Group and the Company ("Regularisation Plan") to the relevant authorities and to implement the Regularisation Plan within the stipulated timeframe. Bursa Securities has granted the Company an extension of time up to 24 July 2020 to submit a regularisation plan pursuant to Paragraph 8.04 (3) together with Paragraph 5.0 of Practice Note 17 of the MMLR via a letter dated 4 March 2020. As at the date of this report, the management of Company is still working on the regularisation plan.

The abovementioned events and conditions indicate the existence of 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 following:

- (i) The timely and successful formulation and implementation of the key components of the Regularisation Plan; and
- (ii) 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 5 March 2020, Bursa Malaysia Securities Berhad ("Bursa Securities") has granted the Company a further extension of time of up to 24 July 2020 to submit a Regularisation Plan. As per our announcement dated 1 June 2020, the Company is still working on the regularisation plan to regularise the condition of the Company.

A4 Explanatory Comment On Seasonality or Cyclicity

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 30 April 2020.

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 30 April 2020.

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 30 April 2020.

A8 Dividend Paid

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

[The rest of this page is intentionally left blank]

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.

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

Current Year-to-Date (quarter ended 30 April 2020)

Segment revenue	Investment Holding RM'000	SIMS RM'000	GWM and WtE RM'000	Consolidated RM'000
Malaysia	58	162	-	220
Overseas	-	-	-	-
Total Revenue	58	162	-	220

Results from operating activities

Segment results	(863)	(836)	(484)	(2,183)
Finance costs				(104)
Loss before taxation				(2,287)
Taxation				-
Loss for the period				(2,287)

Segment Assets

Segment total assets	10,618	3,236	6,367	20,221
----------------------	--------	-------	-------	--------

Preceding Year (period ended 30 April 2019)

Segment revenue	Investment Holding RM'000	SIMS RM'000	GWM and WtE RM'000	Consolidated RM'000	Subsidiaries loss in control RM'000
Malaysia	-	-	1	1	933
Overseas	-	-	-	-	-
Total Revenue	-	-	1	1	933

Results from operating activities

Segment results	17,853	(226)	(658)	16,969	(957)
Finance costs				(175)	(168)
Profit / (Loss) before taxation				16,794	(1,125)
Taxation				(4)	-
Post-tax loss from operations due to loss in control				(1,125)	-
Profit / (Loss) for the period				15,665	(1,125)

Segment Assets

Segment total assets	19,059	3,666	8,870	31,595
----------------------	--------	-------	-------	--------

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

- (i) On 17 June 2020, Shah Alam High Court had granted the termination on the winding up of Comintel Sdn. Bhd. in which the Liquidator shall cease to hold office as Comintel Sdn. Bhd. Liquidator and the Directors shall resume their full authorities and rights as directors prior to the Winding Up Order.
- (ii) The coronavirus disease (COVID-19) pandemic and unprecedented global crisis started in the first quarter of 2020. After considering the measures taken by the government, especially the Movement Control Order that started from 18 March 2020, it is not possible to assess the potential financial impact on the Group's and the Company's financial statements for financial year ending 31 January 2021.

The Group's and the Company's financial statements for the financial year ended 31 January 2020 have been prepared with the application of going concern principle. The directors and management of the Group and the Company are not aware of any significant uncertainties arising after the end of the financial year that would have a significant financial impact, including its ability to continue as going concern over the next twelve months.

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 30 April 2020, there were no bank guarantees issued or outstanding by the Group in relation to performance and tenders. The Company has provided corporate guarantees amounting to RM137.2 million to financial institutions for banking facilities made available to its subsidiaries and Comintel Sdn Bhd (in Liquidation) of which RM6.4 million has been utilised as at 30 April 2020.

A14 Capital Commitments

There were no material capital commitments as at the end of the financial year 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
Principal owner	-	-	-
Director, other key management personnel	-	27	27
Total for type of transaction	-	27	27

[The rest of this page is intentionally left blank]

NOTES TO THE INTERIM FINANCIAL REPORT - 1ST QUARTER ENDED 30 APRIL 2020

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 a revenue of RM0.2 million for the current financial quarter under review, an increase of RM0.2 million as compared to the corresponding quarter last year. The SIMS segment recorded a revenue of RM0.2 million, an increase of RM0.2 million as compared to the corresponding quarter last year. Loss for the current financial quarter under review and financial year-to-date was RM2.3 million whereas the corresponding quarter last year recorded a profit after tax of RM15.7 million.

For the current quarter under review, the Group has not been able to secure any new contract. Other operating, administrative, selling and distribution expenses for the current quarter under review was RM2.4 million, an increase of 108% or RM1.2 million which was due to the expenses incurred during the financial quarter by the subsidiary replacing Comintel Sdn Bhd (in Liquidation) ("Comintel") for the entire full quarter whereas in corresponding quarter, the said subsidiary has just commenced its operation in mid of April 2019.

The profit for the previous quarter and year-to-date was mainly due to the effect by the Group's realisation of gain as Comintel and its subsidiaries was deconsolidated by virtue of the Company lost its control over the entity. On 17 April 2019, Shah Alam High Court allowed the Winding-Up Petition and that Comintel is to be wound up under the provision of the Companies Act 2016 and a liquidator was appointed to manage Comintel.

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

	Current Quarter ended 30.04.2020 <u>RM'000</u>	Corresponding Quarter ended 31.01.2020 <u>RM'000</u>
Revenue	220	1,412
Loss before tax	(2,287)	(936)
(Loss)/Profit for the period	(2,287)	23
Attributable to :		
Equity holders of the parent company	(1,983)	(1,049)
Non-controlling interests	(304)	(1,026)

The current financial quarter's revenue was RM1.2 million lower than that recorded in the corresponding quarter. SIMS segment recorded a revenue of RM0.2 million, in the current quarter.

Net loss attributable to the equity holders of the parent company was RM2.0 million, an increase of RM1.0 million as compared to the net loss of RM1.0 million recorded in the immediate corresponding quarter. The seemingly higher loss recorded for the current quarter was mainly due to in the immediately corresponding quarter, the Group recognise an additional RM0.9 million gain from loss of control in subsidiaries.

B3 Prospects

The Group is still focusing on (1) SIMS and (2) GWM and WtE segments. The Group is continuing its efforts to develop new opportunities to strengthen both segments.

The Company had previously entered into a Memorandum of Understanding ("MOU") with Dhaya Maju Infrastructure (Asia) Sdn Berhad ("DMIA") and Datuk Seri Dr. Subramaniam Pillai A/L Sankaran Pillai on 22 January 2020 whereby DMIA has formalised its intention to award subcontract works for railway construction related communications, system integration and support services having a value of no less than RM115.0 million to the Group.

Prior to the expiry of the MOU, the Company had on 21 April 2020 entered into a Supplemental MOU with Dhaya Maju Infrastructure (Asia) Sdn Berhad and Datuk Seri Dr. Subramaniam A/L Sankaran Pillai to extend the terms to on or before 31 July 2020.

Subsequent to the quarter under review, the Group secured a letter of award for electrification and enabling works ultimately for the railway industry with an award value of approximately RM0.7 million.

B4 Profit Forecast or Profit Guarantee

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

B5 (Loss)/Profit Before Taxation

	Current Quarter Ended 30.04.2020 <u>RM'000</u>	Corresponding Quarter Ended 30.04.2019 <u>RM'000</u>	Current Year To Date 30.04.2020 <u>RM'000</u>	Audited Corresponding Year To Date 30.04.2019 <u>RM'000</u>
(Loss)/Profit from continuing operations are stated after charging / (crediting) :				
Interest Income	(25)	(197)	(25)	(197)
Other Income (excluding interest income)	(43)	(15)	(43)	(15)
Allowance for inventories obsolescence	-	11	-	11
Interest Expenses	104	3	104	3
Depreciation of property, plant & equipment	71	90	71	90
Depreciation of right-of-use assets	23	15	23	15
Gain on disposal of other investments	-	(4)	-	(4)
Gain on loss of control on subsidiary	-	(17,919)	-	(17,919)
Loss on realised foreign exchange	-	18	-	18
Provision for doubtful debt	584	93	584	93
Expenses relating to leases of low value assets	4	-	4	-
Expenses relating to short-term leases	155	-	155	-
Unrealised capital loss/(gain) on other investments	5	(27)	5	(27)
Unrealised loss on foreign exchange	-	3	-	3

B6 Taxation

	Current Quarter 30.04.2020 <u>RM'000</u>	Current Year To Date 30.04.2020 <u>RM'000</u>
<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 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

There were no corporate proposals announced and not completed as at the reporting date.

B10 Group Borrowings

	Payable within 12 months <u>RM'000</u>	Payable after 12 months <u>RM'000</u>	Total <u>RM'000</u>
<u>Secured</u>			
Bank borrowings	6,402	-	6,402
Total Borrowings	<u>6,402</u>	<u>-</u>	<u>6,402</u>

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

The Company filed an application in the Shah Alam High Court to terminate the winding-up of Comintel Sdn Bhd (In Liquidation) ("Application to Terminate Winding Up") on 10 January 2020.

The Application to Terminate Winding Up was fixed for case management before the Senior Assistant Registrar ("Registrar") on 10 February 2020. On 10 February 2020, the Registrar directed that the Liquidator should expedite his report, while the next case management fixed on 16 March 2020 to update on the status of the Liquidator's report and hearing before the judge fixed on 14 May 2020.

The Registrar directed in the case management on 16 March 2020 that parties to resolve the issue of Liquidator's cost by 23 March 2020, written submission be filed to the Shah Alam High Court by 6 April 2020, the next case management fixed on 6 April 2020 and hearing before the judge is rescheduled to 9 April 2020.

Further to notice dated 26 March 2020 issued by the Registrar, the case management for the Application to Terminate Winding Up is rescheduled to 13 May 2020.

On 13 May 2020, during the case management before the Deputy Registrar ("Registrar"), the Registrar directed that the hearing before the judge is scheduled on 17 June 2020.

On 17 June 2020, Shah Alam High Court had granted the termination on the winding up of Comintel Sdn. Bhd. in which the Liquidator shall cease to hold office as Comintel Sdn. Bhd. Liquidator and the Directors shall resume their full authorities and rights as directors prior to the Winding Up Order.

B13 Proposed Dividends

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

[The rest of this page is intentionally left blank]

B14 Status of Utilisation of Proceeds

Disposal of 100% equity interest in BCM Electronics Corporation Sdn Bhd, a former 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 30 April 2020, the status of utilisation of the proceeds after incorporating the variation approved by the shareholders on 5 December 2018 to vary the utilisation of proceeds of RM17.0 million is as follow:-

Details of utilisation of proceeds	Original Approved Utilisation RM'000	Actual Utilisation RM'000	Remaining Unutilised Balance Before Variation RM'000	Variation of the Utilisation of the Proceeds RM'000	Remaining Unutilised Balance After Variation RM'000	Remaining Timeframe for Utilisation
Development of our Company's green waste management and waste-to-energy businesses	40,000	10,041	29,959	(17,000)	12,959	(Note 2)
Working capital (Note 1)	8,156	25,546	(17,390)	17,145	(245)	(Note 3)
Proposed Distribution to shareholders	63,000	63,000	-	-	-	Fully utilised
Estimated expenses in relation to the Disposal	1,166	1,021	145	(145)	-	Fully utilised
Total	112,322	99,608	12,714	-	12,714	

Note 1: Working capital

Working capital requirements	Original Approved Utilisation RM'000	Actual Utilisation RM'000	Remaining Unutilised Balance Before Variation RM'000	Variation of the Utilisation of the Proceeds RM'000	Remaining Unutilised Balance After Variation RM'000	
Staff salaries and benefits	5,271	12,269	(6,998)	4,145	(2,853)	Note 1(a)
Advances to Comintel Green Technologies Sdn Bhd ("CGT") (including general administrative and other operating expenses for CGT's waste-to-energy business)	1,452	9,615	(8,163)	6,400	(1,763)	Note 1(a)
General administrative and other operating expenses for our Company's local SIMS segment	1,433	2,234	(801)	-	(801)	Note 1(a)
Advances to PT. Intelcom Indonesia, a 80% owned subsidiary of Comcorp for funding of additional working capital arising from new project(s)	-	1,428	(1,428)	6,600	5,172	Note 1(b)
	8,156	25,546	(17,390)	17,145	(245)	

Note 1(a): As at 30 April 2020, the Group has over-utilised its allocated utilisation for staff salaries and benefits and for the operating expenses for both CGT's waste-to-energy business and local SIMS segment due to no contracts being secured by SIMS segment and minimal contribution from GWM and WtE segment.

Note 1(b): As at 30 April 2020, PT Intelcom Indonesia has not secured any new project(s), therefore the funds has been channeled to cover the deficit of staff salaries and benefits and operating expenses for CGT's waste-to-energy business and local SIMS segment.

B14 Status of Utilisation of Proceeds (cont'd)

Note 2: Based on the variation approved by the shareholders on 5 December 2018 to vary the utilisation of proceeds, the remaining timeframe for utilisation (from 30 October 2018) was within 9 months i.e. July 2019. The Company currently has remaining unutilised balance after variation due to no further requirement of utilisation.

Note 3: Based on the variation approved by the shareholders on 5 December 2018 to vary the utilisation of proceeds, the remaining timeframe for utilisation (from 30 October 2018) was within 3 months i.e. January 2019. The Company currently has remaining unutilised balance after variation.

B15 (Loss)/Earnings Per share

The basic (loss)/earnings per share is calculated by dividing loss/(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 ended 31 January 2021 is as follow:-

	Current Qtr 30.04.2020	Cumulative Qtr to-date 30.04.2020
Loss/(Profit) attributable to owners of the Company (RM'000)	(1,983)	(1,983)
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)	(1.42)	(1.42)

B16 Comparative Figures

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

B17 Auditors' report on preceding 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 2020.

Qualified Opinion

We have audited the financial statements of Comintel Corporation Bhd, which comprise the statements of financial position as at 31 January 2020 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 92.

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 2020, 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

The 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 in the previous financial year. 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 is required to submit a proposed regularisation plan for the Group and the Company ("Regularisation Plan") to the relevant authorities and to implement the Regularisation Plan within the stipulated timeframe. Bursa Securities has granted the Company an extension of time up to 24 July 2020 to submit a regularisation plan pursuant to Paragraph 8.04 (3) together with Paragraph 5.0 of Practice Note 17 of the MMLR via a letter dated 4 March 2020. As at the date of this report, the management of Company is still working on the regularisation plan.

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

B17 Auditors' report on preceeding audited financial statements (cont'd)

Basis for Qualified Opinion (cont'd)

The ability of the Group and of the Company to carry on as a going concern, amongst others, is dependent upon the following:

- (i) The timely and successful formulation and implementation of the key components of the Regularisation Plan; and
- (ii) 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 5 March 2020, Bursa Malaysia Securities Berhad ("Bursa Securities") has granted the Company a further extension of time of up to 24 July 2020 to submit a Regularisation Plan. As per our announcement dated 1 June 2020, the Company is still working on the regularisation plan to regularise the condition of the Company.

B18 Authorisation for issue

The Condensed Report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 June 2020.

Date: 25-Jun-2020