

# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 JANUARY 2023 (The figures have not been audited)

	Note	Current Quarter Ended 31.01.2023 RM'000	Corresponding Quarter Ended 31.01.2022 RM'000	% change	Current Year To Date 31.01.2023 RM'000	Corresponding Year To Date 31.01.2022 RM'000	% change
<b>CONTINUING OPERATIONS</b>							
Revenue	A9	74,158	26,968	>100.0	188,666	38,547	>100.0
Cost of sales		(64,631)	(21,655)		(161,390)	(29,089)	
Gross Profit		9,527	5,313	79.31	27,276	9,458	>100.0
Other operating income		73	93		268	123	
Other operating expenses		(1,792)	(1,014)		(4,709)	(4,529)	
Profit from operations		7,808	4,392	77.78	22,835	5,052	>100.0
Finance costs		(35)	(47)		(141)	(132)	
Profit before taxation from continuing operations	B5	7,773	4,345	78.90	22,694	4,920	>100.0
Taxation	B6	(2,206)	(581)		(6,171)	(577)	
Profit after taxation from continuing operations		5,567	3,764		16,523	4,343	
Post-tax loss from discontinued operations		-	(11,667)		-	(13,008)	
Profit/(Loss) for the financial period		5,567	(7,903)	>100.0	16,523	(8,665)	>100.0
<b>Other comprehensive income/(expense):</b>							
<i>Items that are or may not be reclassified subsequently to profit or loss</i>							
- Exchange differences arising from translation of foreign operations		-	(2)		-	(15)	
<b>Net profit/(loss) and total comprehensive income/(expense) for the financial period</b>		5,567	(7,905)		16,523	(8,680)	
<b>Profit/(Loss) attributable to:</b>							
Equity holders of the Company		5,567	(7,902)	>100.0	16,523	(8,133)	>100.0
Non-controlling interests		-	(1)		-	(532)	
		5,567	(7,903)	>100.0	16,523	(8,665)	>100.0
<b>Total comprehensive income/(expense) attributable to:</b>							
Equity holders of the Company		5,567	(7,904)		16,523	(8,145)	
Non-controlling interests		-	(1)		-	(535)	
		5,567	(7,905)		16,523	(8,680)	
<b>Earnings/(Loss) per share</b>							
- Basic (sen)	B15	1.85	(5.64)		9.16	(5.81)	
- Diluted (sen)	B15	1.60	(5.64)		8.60	(5.81)	

### 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 2022 and the accompanying explanatory notes attached to these interim financial statements.

**COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)**

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JANUARY 2023****(The figures have not been audited)**

	31.01.2023 RM'000	(Audited) 31.01.2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	318	252
Right-of-use assets	511	920
	<u>829</u>	<u>1,172</u>
<b>Current assets</b>		
Inventories	71	54
Trade receivables	111,937	21,763
Other receivables, deposits and prepayments	2,339	1,816
Contract assets	6,051	504
Tax recoverable	4	4
Short term deposits with licensed bank	297	3,324
Cash and bank balances	16,104	1,670
	<u>136,803</u>	<u>29,135</u>
<b>TOTAL ASSETS</b>	<u>137,632</u>	<u>30,307</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	23,461	95,745
Redeemable convertible preference shares	5,390	-
Reserves	(20)	(20)
Retained earnings/ (Accumulated losses)	13,607	(93,874)
<b>TOTAL EQUITY</b>	<u>42,438</u>	<u>1,851</u>
<b>Non-current liabilities</b>		
Lease liabilities	262	728
<b>Current liabilities</b>		
Lease liabilities	466	441
Trade payables	78,054	15,923
Other payables and accruals	6,579	6,565
Contract liabilities	7,646	4,628
Provision for taxation	2,187	171
	<u>94,932</u>	<u>27,728</u>
<b>TOTAL LIABILITIES</b>	<u>95,194</u>	<u>28,456</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>137,632</u>	<u>30,307</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.1109	0.0132

**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 2022 and the accompanying explanatory notes attached to these interim financial statements.

# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2023

(The figures have not been audited)

	< ----- Attributable to equity holders of parent ----- >							
	< ----- Non Distributable ----- >				Distributable			
	Share Capital RM'000	RCPS* RM'000	Other Reserves RM'000	Translation Reserves RM'000	Retained Earnings/ (Accumulated Losses) RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
<b>12 months year ended 31 January 2023</b>								
Balance as at 1 February 2022	95,745	-	(20)	-	(93,874)	1,851	-	1,851
<b>Changes in equity during the year</b>								
Profit and Total comprehensive income for the year	-	-	-	-	16,523	16,523	-	16,523
Reduction of share capital	(90,958)	-	-	-	90,958	-	-	-
Issuance of shares pursuant to:								
- Private placement	19,400	-	-	-	-	19,400	-	19,400
- RCPS*	-	5,600	-	-	-	5,600	-	5,600
Share issuance expenses	(726)	(210)	-	-	-	(936)	-	(936)
As at 31 January 2023	<u>23,461</u>	<u>5,390</u>	<u>(20)</u>	<u>-</u>	<u>13,607</u>	<u>42,438</u>	<u>-</u>	<u>42,438</u>
<b>12 months year ended 31 January 2022</b>								
Balance as at 1 February 2021	95,745	-	(1,283)	(64)	(85,741)	8,657	(10,505)	(1,848)
<b>Changes in equity during the year</b>								
Loss for the year	-	-	-	-	(8,133)	(8,133)	(532)	(8,665)
Other comprehensive expense	-	-	-	(12)	-	(12)	(3)	(15)
Total comprehensive expense for the year	-	-	-	(12)	(8,133)	(8,145)	(535)	(8,680)
Disposal of subsidiaries	-	-	1,263	76	-	1,339	11,040	12,379
As at 31 January 2022	<u>95,745</u>	<u>-</u>	<u>(20)</u>	<u>-</u>	<u>(93,874)</u>	<u>1,851</u>	<u>-</u>	<u>1,851</u>

### Note:

Redeemable convertible preference shares (“RCPS”)

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 2022 and the accompanying explanatory notes attached to these interim financial statements.

# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2023

(The figures have not been audited)

	Current Year To Date 31.01.2023 RM'000	Corresponding Year To Date 31.01.2022 RM'000
<b>Cash flows from operating activities</b>		
Profit before taxation from continuing operations	22,694	4,920
Loss before taxation from discontinued operations	-	(13,008)
	<u>22,694</u>	<u>(8,088)</u>
<b>Adjustments for non-cash and non-operating items:</b>		
Bad debts written off/ (recovered)	112	(42)
Depreciation of property, plant & equipment	68	148
Depreciation of right-of-use assets	409	644
Finance costs	141	287
Gain on derecognition of right-of-use assets	-	(1,972)
Impairment losses on trade receivables	-	219
Impairment losses on other receivables, deposits and prepayments	-	1,216
Interest income	(45)	(14)
Loss on disposal of subsidiaries	-	11,558
Unrealised foreign exchange loss	-	64
<b>Operating profit before working capital changes</b>	<u>23,379</u>	<u>4,020</u>
Decrease in other investment	-	156
(Increase)/ Decrease in inventories	(17)	14
Increase in trade receivables	(90,287)	(21,537)
Increase in other receivables, deposits and prepayments	(523)	(823)
Increase in contract assets	(5,548)	(161)
Increase in trade payables	62,132	15,831
(Decrease)/ Increase in other payables and accruals	(64)	610
Increase in contract liabilities	3,018	4,420
<b>Cash (used in)/ generated from operations</b>	<u>(7,910)</u>	<u>2,530</u>
Income tax paid	(4,154)	(410)
<b>Net cash (used in)/ generated from operating activities</b>	<u>(12,064)</u>	<u>2,120</u>
<b>Cash flows from investing activities</b>		
Disposal of subsidiaries, net of cash disposed	-	(163)
Interest income received	45	14
Purchase of property, plant & equipment	(134)	(22)
<b>Net cash used in investing activities</b>	<u>(89)</u>	<u>(171)</u>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(441)	(872)
Payment of share issuance expenses	(936)	-
Payment for the interest portion of lease liabilities	(64)	(230)
Placement of short-term deposits pledged for banking facilities	(172)	(6)
Proceeds from issuance of private placement	19,400	-
Proceeds from issuance of RCPS	5,600	-
<b>Net cash generate from/ (used in) financing activities</b>	<u>23,387</u>	<u>(1,018)</u>
Effect of exchange rate changes	-	2
Net changes in cash and cash equivalents	11,234	841
Cash and cash equivalents at the beginning of the financial year	4,870	4,027
<b>Cash and cash equivalents at the end of the financial year</b>	<u>16,104</u>	<u>4,870</u>

# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2023

(The figures have not been audited)

	Current Year To Date 31.01.2023 RM'000	Restated Corresponding Year To Date 31.01.2022 RM'000
<i>Analysed into:</i>		
Short-term deposits with financial institutions	297	3,324
Cash and bank balances	16,104	1,670
	<hr/>	<hr/>
	16,401	4,994
Less: Short-term deposits pledged	(297)	(124)
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>16,104</b>	<b>4,870</b>

### 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 2022 and the accompanying explanatory notes attached to these interim financial statements.

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# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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

## NOTES TO THE INTERIM FINANCIAL REPORT - FOURTH QUARTER ENDED 31 JANUARY 2023

### 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 ("Bursa Securities").

This Condensed Report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 January 2022. 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 2022.

#### 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 2022.

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 2022. 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.

#### Standard issued but not yet effective

	<b>Effective for financial periods beginning on or after</b>
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 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</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.

#### A3 Auditors' report on preceding audited financial statements

The audited financial statements for the preceding financial year ended 31 January 2022 were not subject to any qualification.

#### A4 Explanatory comment on seasonality or cyclicity

The Group's operations have 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.

# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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## 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 ended 31 January 2023.

## A6 Significant estimates and change in estimates

There were no changes in estimates that have had any material effect during the current quarter results ended 31 January 2023.

## A7 Debt and equity securities

Save as disclosure below, there were no other 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 ended 31 January 2023:

- a) On 5 December 2022, issuance of 242,500,000 new ordinary shares pursuant to the Private Placement as disclosed in note B3 at an issue price of RM0.08 per ordinary share.
- b) On 5 December 2022, issuance of 70,000,000 redeemable convertible preference shares (“RCPS”) pursuant to Issuance of RCPS as disclosed in note B3 at an issue price of RM0.08 per RCPS.

## A8 Dividend

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

## A9 Segmental information

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

Following the completion of the disposal of subsidiaries on 8 December 2021, the Group is no longer involved in GWM and WtE segment.

In presenting the segmental information, segment revenue is based on operating segment. No presentation of segmental information by geographical location as the business of the Group is engaged entirely in Malaysia. 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 are as follow:*

	SIM RM'000	Construction RM'000	Investment Holdings RM'000	Consolidated RM'000
<b><u>Current financial year ended 31 January 2023</u></b>				
<b>Segment revenue</b>	3,820	184,817	29	188,666
<b>Results from operating activities</b>				
Segment results	(847)	25,764	(2,082)	22,835
Finance costs				(141)
Profit before taxation				22,694
Taxation				(6,171)
Profit for the period				16,523
<b>Segment Assets</b>				
Segment total assets	4,515	130,928	4,915	140,358
<b>Segment Assets</b>				
Segment total assets	6,241	23,377	689	30,307

# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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

## A9 Segmental information (cont'd)

	SIM RM'000	Construction RM'000	Investment Holdings RM'000	Consolidated RM'000
<b><u>Current financial year ended 31 January 2022</u></b>				
<b>Segment revenue</b>	4,148	34,398	1	38,547
<b>Results from operating activities</b>				
Segment results	(25)	6,950	(1,873)	5,052
Finance costs				(132)
Profit before taxation				4,920
Taxation				(577)
Post-tax loss from discontinued operations				(13,008)
Loss for the year				(8,665)
<b>Segment Assets</b>				
Segment total assets	6,241	23,377	689	30,307

## 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

Save as disclosed in Note B9 Corporate proposal, there were no other material events subsequent to the end of the current quarter and the financial year under review that have not been reflected in this Condensed Report.

## 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

There were no contingent assets and liabilities as at the end of current financial quarter and the financial year.

## A14 Capital commitments

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

## A15 Significant related party transactions

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

	Current Quarter Ended 31.01.2023 RM'000	Corresponding Quarter Ended 31.01.2022 RM'000	Current Year To Date 31.01.2023 RM'000	Corresponding Year To Date 31.01.2022 RM'000
Rental income from Comintel Sdn Bhd (“CSB”), a company in which a director of a subsidiary has financial interest	(60.0)	(40.0)	(240.0)	(40.0)
Provision of consultation and performance of factory acceptance test for communication system, by CSB, a company in which a director of a subsidiary has financial interest	159.0	238.4	324.0	238.4



**COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)**

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**A15 Significant related party transactions (cont'd)**

	Current Quarter Ended 31.01.2023 RM'000	Corresponding Quarter Ended 31.01.2022 RM'000	Current Year To Date 31.01.2023 RM'000	Corresponding Year To Date 31.01.2022 RM'000
Sale of finished goods, to CSB, a company in which a director of a subsidiary has financial interest	(14.8)	-	(14.8)	-
Proceeds from disposal of subsidiaries to Allied Technologies Group Sdn Bhd, a company in which a director of a subsidiary has financial interest	-	(100.0)	-	(100.0)
Construction cost incurred by supply of material, by Binastra Concrete Sdn. Bhd., a company in which a director of a subsidiary has financial interest	-	292.7	-	292.7
Construction cost incurred by supply of labour, by CS Yap Constructions Sdn. Bhd., a company in which a director has financial interest	-	13.2	-	51.6

As at 31 January 2023, there was RM20,000 outstanding amount due from CSB. The outstanding amount was paid as at the date of this report.

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# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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

## NOTES TO THE INTERIM FINANCIAL REPORT - FOURTH QUARTER ENDED 31 JANUARY 2023

### 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 RM74.2 million and profit before tax of RM7.8 million for the current quarter ended 31 January 2023, compared to revenue of RM27.0 million and profit before tax of RM4.3 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 entirely by Binastra Builders Sdn Bhd (“BBSB”) (formerly known as Total Package Work Sdn Bhd), a wholly owned subsidiary of the Company, has achieved a total revenue of RM73.8 million and profit before tax RM9.2 million for the current quarter under review. 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 RM0.4 million and loss before tax of RM0.4 million compared to revenue of RM1.1 million and almost breakeven in the corresponding quarter of the preceding financial year. SIMS segment which is contributed entirely by Comintel System Technologies Sdn Bhd (“CST”), a wholly owned subsidiary of the Company, has delayed a few projects to financial year ending 31 January 2024 to accommodate the customers' timeline which resulted in lower revenue for the current quarter under review.

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

	Current Quarter Ended 31.01.2023 RM'000	Corresponding Quarter Ended 31.10.2022 RM'000
Revenue	74,158	64,538
Profit before taxation from continuing operations	7,773	8,445
Profit for the period	5,567	6,348
Attributable to:		
Equity holders of the Company	5,567	6,348

The revenue for the current financial quarter was RM9.6 million higher than the revenue recorded in the immediate corresponding quarter ended 31 October 2022.

Revenue was contributed by Construction segment of RM73.8 million and SIMS segment of RM0.4 million respectively in the current quarter whereas revenue in the immediate corresponding quarter was contributed by Construction segment of RM62.7 million and SIMS segment of RM1.8 million respectively.

Net profit attributable to the equity holders of the Company was RM5.6 million, a decline of RM0.7 million as compared to the net profit of RM6.3 million recorded in the immediate corresponding quarter. This was mainly due to professional fees and other related expenses in relation to regularisation plan and unconditional mandatory take-over offer incurred in the current quarter under review.

#### B3 Prospects

##### Regularisation Plan

As announced on 7 January 2022, the Company proposed to undertake the following proposals to regularise its financial condition in accordance with Paragraph 8.04(3) of the Main Market Listing Requirements of Bursa Securities:

- (i) Reduction of the issued share capital of Comcorp pursuant to Section 116 of the Companies Act 2016 (“Share Capital Reduction”);
- (ii) Private placement of 242,500,000 new ordinary shares in Comcorp (“Comcorp Share(s)”) (“Placement Share(s)”), representing approximately 63.40% of the enlarged number of issued shares of Comcorp at an issue price of RM0.08 per Placement Share (“Private Placement”);
- (iii) Issuance of 70,000,000 new redeemable convertible preference shares (“RCPS”) in Comcorp at an issue price of RM0.08 per RCPS (“Issuance of RCPS”);
- (iv) Amendments to the Constitution of Comcorp to facilitate the Proposed Issuance of RCPS (“Amendments”); and

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## B3. Prospects (cont’d)

- (v) Acceptance of the contract awarded by Mightyprop Sdn Bhd for the construction and completion of main building works and infrastructure works for a development project for a contract sum of RM188.77 million (“Award”) (“Acceptance of Contract”).

(Collectively referred to as the “Regularisation Plan”)

The Regularisation Plan was approved by Bursa Securities and the Company’s shareholders on 18 August 2022 and 30 September 2022 respectively. The Amendments was lodged with the Registrar of Companies on 3 October 2022.

On 25 November 2022, the Company had lodged the sealed court order of the High Court, confirming the cancellation of share capital with the Registrar of Companies. Accordingly, the Share Capital Reduction is effective and completed on 25 November 2022. Following the completion of the Share Capital Reduction, all the conditions precedent of the subscription agreements in relation to the Private Placement and Issuance of RCPS (“Subscription Agreements”) as well as the agreement to award in relation to the Acceptance of Contract (“Agreement to Award”) have been fulfilled. Accordingly, the Subscription Agreements and Agreement to Award have become unconditional.

Subsequently, the Regularisation Plan was completed on 5 December 2022 following the:

- (i) listing of and quotation for 242,500,000 Placement Shares on the Main Market of Bursa Securities with effect from 9.00 a.m. on 5 December 2022; and
- (ii) allotment and issuance of 70,000,000 RCPS.

## Operations

For the quarter ended 31 January 2023, the Construction segment had secured two letters of award worth of RM398.3 million for main building works from Butirjaya Maxim Development Sdn Bhd and construction and completion of main building works and infrastructure works from Mightyprop Sdn Bhd as well as a revised letter of award of RM231.1 for construction and completion of main building works and infrastructure works from Mightyprop Sdn Bhd (initial contract sum was RM188.8 million). As of 31 January 2023, the outstanding order book stood at RM1.1 billion.

As the nation continued to recover from the effects of the COVID-19 pandemic and movement restrictions, Malaysia’s economy outperformed expectations with gross domestic product (GDP) for year 2022 recorded at 8.7%, higher than in the previous year and surpassing the Government’s forecast of 6.5% to 7%. Further, the Malaysian property market recovered from the pandemic-induced slowdown in 2020 as statistics compiled by the Valuation & Property Services Department of the Ministry of Finance (JPPH) indicated that the volume and value of property transactions recorded an improvement in 2021 and a further improvement in 2022.

Notwithstanding the above, the Budget 2023 as announced in February 2023 mentioned the economy is expected to grow moderately at 4.5% whereas the construction sector is to grow by 6.1% in 2023. However, the shortage of skilled labour, fluctuations in building materials prices and rising logistic costs could adversely affect the Group’s profitability. The Group will continue to monitor the business environment that it operates in, vigilantly and with periodic assessments to be carried out to ensure prudent financial management and efficient operating procedures in order to achieve sustainable growth moving forward.

## 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 31.01.2023 RM’000	Corresponding Quarter Ended 31.01.2022 RM’000	Current Year To Date 31.01.2023 RM’000	Corresponding Year To Date 31.01.2022 RM’000
Profit/(Loss) before taxation are stated after charging / (crediting):				
Bad debts written off	-	-	112	-
Depreciation of property, plant & equipment	21	12	68	25
Depreciation of right-of-use assets	102	45	409	334
Expenses relating to leases of low value assets	4	5	18	22
Expenses relating to short-term leases	45	27	180	117
Finance costs	35	47	141	132
Gain on derecognition of right-of-use assets	-	(1)	-	(1)

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## B5. Profit/(Loss) before taxation from continuing operations (cont'd)

	Current Quarter Ended 31.01.2023 RM'000	Corresponding Quarter Ended 31.01.2022 RM'000	Current Year To Date 31.01.2023 RM'000	Corresponding Year To Date 31.01.2022 RM'000
Profit/(Loss) before taxation are stated after charging / (crediting):				
Impairment loss on trade receivables	-	23	-	70
Interest income	(38)	(8)	(45)	(8)
Loss on disposal of subsidiaries	-	11,558	-	11,558
Realised (gain)/loss on foreign exchange	1	8	(4)	8
Rental income	(60)	(41)	(242)	(41)
Subsidy income	-	(35)	-	(55)
Unrealised gain on foreign exchange	-	(3)	-	(14)

## B6. Taxation

	Current Quarter Ended 31.01.2023 RM'000	Corresponding Quarter Ended 31.01.2022 RM'000	Current Year To Date 31.01.2023 RM'000	Corresponding Year To Date 31.01.2022 RM'000
Malaysian Taxation				
- Current	(2,206)	(581)	(6,171)	(581)
- Over provision in prior year	-	-	-	4
	<u>(2,206)</u>	<u>(581)</u>	<u>(6,171)</u>	<u>(577)</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 7 January 2022, the Company proposed to undertake the Regularisation Plan which is disclosed in note B3 and the application in relation to the Regularisation Plan was submitted to Bursa Securities on 13 January 2022.

The Regularisation Plan was approved by Bursa Securities and the Company's shareholders on 18 August 2022 and 30 September 2022 respectively. The Amendments was lodged with the Registrar of Companies on 3 October 2022.

On 25 November 2022, the Company had lodged the sealed court order of the High Court, confirming the cancellation of share capital with the Registrar of Companies. Accordingly, the Share Capital Reduction is effective and completed on 25 November 2022. Following the completion of the Share Capital Reduction, all the conditions precedent of the subscription agreements in relation to the Private Placement and Issuance of RCPS (“Subscription Agreements”) as well as the agreement to award in relation to the Acceptance of Contract (“Agreement to Award”) have been fulfilled. Accordingly, the Subscription Agreements and Agreement to Award have become unconditional.

Subsequently, the Regularisation Plan was completed on 5 December 2022 following the:

- (i) listing of and quotation for 242,500,000 Placement Shares on the Main Market of Bursa Securities with effect from 9.00 a.m. on 5 December 2022; and
- (ii) allotment and issuance of 70,000,000 RCPS.

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## B10. Group borrowings

As at 31 January 2023, the Group’s bank borrowings stood at RM166,588 which comprise hire purchase. The repayable terms for the hire purchase arrangement is 9 years and the average effective interest rate on the hire purchase is 4.13% per annum.

The hire purchase is repayable as follows:

	31.01.2023 RM’000
Current	
- Not later than one year	18
Non-current	
- Later than one year and not later than five years	59
- Later than five years	90
	<u>167</u>

## B11. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report that might materially affect the Group’s position.

## B12. Status of utilisation of proceeds

The Company had successfully placed out 242,500,000 new ordinary shares and 70,000,000 RCPS on 5 December 2022, pursuant to the Private Placement and Issuance of RCPS as disclosed in note B3. Total gross proceeds raised amounted to RM25.0 million. The proceeds has been partially utilised in the following manners as at 31 January 2023:

	Proposed utilisation RM’000	Utilisation as at 31.01.2023 RM’000	Balance RM’000
General working capital	2,500	2,308	192
Working capital requirements for the execution of the existing contracts and the Award (as disclosed in note B3)	21,000	17,192	3,808
Estimated expenses in relation to the Proposed Regularisation Plan	1,500	1,360	140
	<u>25,000</u>	<u>20,860</u>	<u>4,140</u>

## B13. 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.

## B14. Proposed dividends

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

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# COMINTEL CORPORATION BHD (“COMCORP” OR THE “COMPANY”)

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## B15. Earnings/(Loss) per share

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

	Current Quarter Ended 31.01.2023	Corresponding Quarter Ended 31.01.2022	Current Year To Date 31.01.2023	Corresponding Year To Date 31.01.2022
Profit/(Loss) attributable to equity holders of the Company (RM'000)	5,567	(7,902)	16,523	(8,133)
<b>Basic</b>				
Weighted average number of ordinary shares in issue ('000)	301,667	140,000	180,417	140,000
Basic earnings/(loss) per share (sen)	1.85	(5.64)	9.16	(5.81)
<b>Diluted</b>				
Weighted average number of ordinary shares in issue ('000)	301,667	140,000	180,417	140,000
Effect of dilution of RCPS ('000)	46,666	-	11,666	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	348,333	140,000	192,083	140,000
Diluted earnings per share (sen)	1.60	(5.64)	8.60	(5.81)

## B16. Comparative figures

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

## B17. Auditors' report on preceding audited financial statements

The audited financial statements for the preceding financial year ended 31 January 2022 were not subject to any qualification.

## 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 28 March 2023.

Date: 28 March 2023